

REPORT
ON
SURVEY OF LABOUR CONDITIONS
IN
BOLTS, NUTS, NAILS, SPRINGS
AND CHAINS FACTORIES
IN INDIA



LABOUR BUREAU
MINISTRY OF LABOUR AND EMPLOYMENT
GOVERNMENT OF INDIA

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PREFACE

Industrial labour and its problems have been the subject of interest, though varying in degree and extent, ever since India entered the industrial field over a century ago. Today this interest has shifted from prevention of exploitation of labour to providing a fair deal and opportunities for a fuller life to labour. The growing realisation of this approach to problems of labour in India, in the context of present-day planned economic development of the country, is provided a sound base by the Surveys that reveal true conditions of labour.

The last detailed survey on a country-wide basis of the working and living conditions of industrial labour was conducted by the Labour Investigation Committee appointed by the Government of India in 1944. The years that followed witnessed far-reaching changes in the set-up of the country, its basic policies and national objectives. As a result, the long-term strategy for economic and industrial advance recognises the well-being of the working class as an essential factor in the overall stability and progress of the country. The adoption of this policy, in the changed circumstances of the country, has brought about a new awakening in the ranks of labour and afforded them much relief in various directions through legislation and other measures.

In order to assess the impact of these measures on the industrial labour and to appraise their present conditions, a scheme for a comprehensive Survey of Labour Conditions was incorporated in the Second Five Year Plan and its execution was entrusted to the Labour Bureau. The Survey was conducted according to a phased programme in 46 industries*. This report presents data regarding factories manufacturing Bolts, Nuts, Nails, Springs and Chains, etc. covered under the Scheme during 1960-61.

The present Survey differs considerably from similar investigations in the past in matters of design, scope and presentation of data. It has also certain distinguishing features. For example, it furnishes data separately for large and small establishments in various industries, makes a limited study of labour cost in relation to the benefits and amenities that the workers now enjoy, seeks to fill the gap in the statistics of labour turnover and absenteeism in the factory industries and provides first-hand information on certain important aspects of labour-management relations. Attempt has also been made to collect and interpret data on certain conventional items in a more meaningful way. In the presentation of the data, the effort has been to reduce the information into quantitative terms so as to serve as a bench-mark for purpose of evaluation of changes at a future date. Recourse to general description has been resorted to only where the other type of treatment was not possible.

In a Survey of this magnitude it was but natural that many problems had to be faced both in planning as well as execution. Most of these flowed from non-availability of up-to-date frames and absence

* Names of these industries are given in the Preface (p. iii) of the Report on Survey of Labour conditions on Silk Factories in India.

or improper maintenance of records in many establishments. In many cases, the field staff had almost to build up the required statistics from various sources. This naturally imposed a heavy demand on the managements and the Bureau is deeply indebted to them for their whole-hearted co-operation. The co-operation and valuable assistance received from associations of employers and workers, Labour Commissioners as well as Chief Inspectors of Factories and other officials of State Labour Departments is also gratefully acknowledged.

The debt of gratitude that I owe to the Central Statistical Organisation and the Chief Adviser of Factories for evincing keen interest in the Survey and rendering technical advice on various matters is indeed great. I am also thankful to the Employment Division of the Planning Commission for examining the schedule and instructions and offering useful suggestions. I am equally grateful to the Bureau of Labour Statistics, U.S.A., Social Surveys Division, Ministry of Labour and Social Service, U. K., Economics and Research Branch, Department of Labour, Canada and Labour Statistics and Research Division, Ministry of Labour, Japan, whose advice was sought on several technical matters.

The primary responsibility for conducting this Survey and bringing out the reports on individual industries was ably borne by Shri B. N. Srivastava, Deputy Director, whose experience and application came into full play in this assignment. On various statistical problems arising out of the survey, the requisite technical advice was provided to him by other officers at Headquarters. In the drafting of this report also, he received valuable assistance from Shri Mahesh Chandra, Investigator Grade I. Sarvashri S. P. Gupta and A. K. Minocha, Computers assisted in computation of data. The field investigations were carried out by Sarvashri R. C. Malhotra, K. C. Sharma, S. Roy, H. G. Tehri, Prem Chand Agrawal, N. K. Basu, S. S. Kaul, R. K. Kapoor, R. L. Bembey, N. D. Puri, R. K. Pillai, Kirpal Singh and A. S. Joseph under the supervision of Sarvashri Harbans Singh, R. N. Mukherjee, H. K. Gogna, G. B. Singh and H. G. Gupta. To these all my thanks are due.

The views expressed in this report are not those of the Ministry of Labour and Employment, Government of India.

K. C. SEAL
Director

LABOUR BUREAU, SIMLA
Dated the 27th August, 1964

CHAPTER I

INTRODUCTION

1.1. *Origin and Growth of the Industry—*

Little is known about the inception of the Bolts, Nuts, Nails, Springs, Chains, etc., Industry in India. However, it is known to be an old Industry and its growth and development has generally been associated with the expansion of railways and structural engineering industries*. The development of the Industry was particularly noticeable during the period of the first two Five Year Plans. Returns received under the Factories Act, 1948 show that in 1951 there were only 123 registered Bolts, Nuts, Nails, Springs and Chains factories in the country employing 7,041 workers. By 1961, i.e., the end of the Second Five Year Plan, the number of factories increased to 354 and employment strength to 16,402. Thus during the period of two plans the number of factories recorded a rise of nearly 188 per cent. and employment rose by 133 per cent.

1.2. *Structure and Location of the Industry—*

The Industry is confined to the private sector and comprises large as well as small-scale factories, scattered almost throughout the country. The following Statement shows the distribution of Bolts, Nuts, Nails, Springs and Chains factories in various States during 1959 and 1961 and the number of workers employed therein. The information has been compiled from the returns received under the Factories Act from each State.

STATEMENT 1.1

State-wise Distribution of Bolts, Nuts, Nails, Springs, Chains, etc. Factories and Workers Employed therein, During 1959 and 1961.

State	Number of factories		Average daily employment	
	1959	1961	1959	1961
(i)	(ii)	(iii)	(iv)	(v)
1. Andhra Pradesh	3 (1.1)	6 (1.7)	23 (0.2)	109 (0.7)
2. Assam	2 (0.8)	2 (0.6)	48 (0.4)	35 (0.2)
3. Bihar	9 (3.5)	23 (6.5)	164 (1.2)	326 (2.0)
4. Delhi	16 (6.2)	21 (5.9)	463 (3.4)	508 (3.1)
5. Gujarat	*	18 (5.1)	—	274 (1.7)
6. Kerala	1 (0.4)	2 (0.5)	3 (0.0)	9 (0.0)
7. Maharashtra	72 (27.8)	63 (17.8)	2,201 (16.2)	2,787 (17.0)

* Engineering News, March 1961, p. 662,

STATEMENT 1.1—*contd.*

(i)					(ii)	(iii)	(iv)	(v)
8. Madras	..	..	..	..	13 (5.0)	19 (5.4)	353 (2.6)	540 (3.3)
9. Orissa	..	..	..	..	1 (0.4)	1 (0.3)	32 (0.2)	28 (0.2)
10. Punjab	..	..	..	..	51 (19.7)	81 (22.9)	1,972 (14.6)	2,153 (13.1)
11. Rajasthan	..	..	..	..	—	1 (0.3)	—	27 (0.2)
12. Uttar Pradesh	..	..	..	..	7 (2.7)	14 (3.9)	99 (0.7)	266 (1.6)
13. West Bengal	..	..	..	..	84 (32.4)	103 (29.1)	8,203 (60.5)	9,340 (56.9)
Total					259 (100.0)	354 (100.0)	13,561 (100.0)	16,402 (100.0)

Source: —Factories Act Returns for the years' 1959 and 1961.

NOTE—Figures shown in brackets are percentages.

* The state did not exist in 1959.

It would appear from the figures given above that in 1961 the bulk of the registered factories were located in West Bengal. The other States in the order, where a fair number of factories were located were Punjab, Maharashtra, Bihar, Delhi, Madras, Gujarat and Uttar Pradesh. From the point of view of employment also West Bengal occupied the leading position accounting for nearly 57 per cent. of the total workers in the Industry. Maharashtra State was second in the order. In this State, though the number of factories in 1961 was far less than in Punjab, the number of persons employed was little higher. The other important State from the point of view of number of workers employed was Punjab.

1.3. *Genesis of the Survey—*

The first comprehensive Survey into the conditions of labour in various industries in India was conducted by the Royal Commission on Labour during 1929—31. On the basis of its report and findings various ameliorative measures were adopted by the Government in the labour field. After a lapse of a little over a decade, i.e., in 1944, the Government of India appointed another Committee, viz., the Labour Investigation Committee, to enquire into the conditions of labour in all important industries. The Committee conducted detailed investigations in 38 industries during 1944-45 and, besides a main report, submitted detailed reports on conditions of labour in each industry surveyed by it. The years which followed witnessed many changes of far reaching significance. For instance many laws were passed to improve working and living conditions and several schemes were enforced for promoting welfare and social security of workers. The setting up of the adjudication machinery also led to improvement in conditions of work and wages in various industries. The most significant change was the attainment of Independence by the country in 1947, which gave a new status to the working class. With a view to

evaluating and assessing the effects of the various measures adopted, the Ministry of Labour and Employment as well as the Planning Commission considered it necessary that a comprehensive Survey of Labour Conditions in various industries should be conducted. Such a Survey, it was felt, would help in obtaining a precise picture of the existing conditions and problems of labour and to help Government in deciding the future course of action. Consequently, a Scheme for the conduct of a Survey of Labour Conditions was included in the Second Five Year Plan and the Labour Bureau was entrusted with its execution. At the time, the Labour Investigation Committee conducted the enquiry Bolts, Nuts, Nails, Springs and Chains Industry was still in its infancy and was not important from the point of view of employment. It was perhaps for this reason that the Committee did not cover this industry. However, since now it has developed significantly and employs over 16,000 workers* it was considered desirable to include it in the scope of the present Survey.

1.4. *Scope and Design*—

A note appended† to the report gives details relating to the sample design and method of estimation adopted. In the absence of a complete list of all Bolts, Nuts, Nails, Springs and Chains factories in the country, the scope of the Survey was restricted to establishments registered under the Factories Act, 1948. Since the past experience had shown that wide variations existed in conditions of work, standards of welfare, amenities, etc., in the units of different size groups in each industry, it was felt that it would be useful to have separate data for units of different sizes. It was, therefore, decided that for purposes of the Survey, Bolts, Nuts, Nails, Springs and Chains factories should be divided into two size groups—large and small. For classifying units into large and small size the stratification point used for the Wage Census conducted by the Bureau in 1958-59 was used. The point used for the Wage Census was arrived at on the basis of a study of optimum allocation and was close to the average employment. On this basis all factories employing 50 or more workers were treated as large establishments and the rest as small.

As regards the sample size, 25 per cent. of the large units were considered to be adequate to yield reliable results. However, in the course of the Wage Census conducted by the Bureau it was noticed that a large number of samples could not be canvassed either because of their changing the line of production or because some of them went out of business before they could be canvassed. In order to safeguard against the possible shrinkage of the sample size due to the above mentioned contingencies, the sample size was suitably enlarged in the light of the Wage Census experience and on the basis of a study of closures for the past few years as revealed by the annual list of registered Bolts, Nuts, Nails, Springs and Chains factories. The sampling fraction ultimately adopted was 33.3 per cent. for the large factories. In case of small factories it was 20 per cent.

The Statement on the next page shows the number of Bolts, Nuts, Nails, Springs and Chains factories together with the number of workers employed therein (a) in the frame, (b) in the sample, and (c) samples actually covered.

* As per 1961 returns received under the Factories Act, 1948.

† Appendix.

STATEMENT 1.2

Number of Bolts, Nuts, Nails, Springs, Chains, etc., Factories and Persons Employed Therein as in the Frame and as Actually Covered.

Size	In the frame (year 1958)		In the sample selected		In the sample ultimately covered as given in 1958 frame	
	Number of factories	Number of workers employed	Number of factories	Number of workers employed	Number of factories	Number of workers employed
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
(a) Large Factories	33	8,864	11 (33.3)	1,241 (14.0)	11 (33.3)	1,241 (14.0)
(b) Small Factories	185	3,727	37 (20.0)	698 (18.7)	31 (16.8)	612 (16.4)
All Factories	218	12,519	48 (22.0)	1,939 (15.4)	42 (19.3)	1,853 (14.7)

NOTE—Figures shown in brackets are percentages to respective totals in cols. (ii) and (vii).

It may be seen from the figures given in the Statement that the Survey finally covered 19.3 per cent. of factories and 14.7 per cent. of the workers employed therein. Since only those factories came in the sample as featured in the frame and as it was not possible to take account of new factories which came into being during the period of the Survey, the information given in this report should be treated to relate to conditions in the factories which were in existence during the period to which the frame related (i.e., 1958) and which continued to exist at the time of the Survey.

The data for the Survey were collected by the Bureau's field staff by personal visits to the sampled establishments. With a view to testing the schedule* and instructions prepared for the Survey as also to impart training to the field staff, a pilot enquiry was conducted in September, 1959. On the basis of the experience gained, the schedule and instructions were suitably revised. The main field enquiry was launched late in December, 1959 in this industry and the Survey was completed in June, 1961. Hence, the information collected, except where specifically mentioned, should be treated to relate to this period.

* The Schedule used for the Survey has been given as Appendix II in the Report on Survey of Labour Conditions in Silk Factories in India.

CHAPTER II

EMPLOYMENT

2.1. Composition of the Working Force—

In the course of the Survey, data were collected on several aspects of the composition of the working force in the Industry. These related to distribution of workers according to (a) broad occupational groups, (b) men, women and children, (c) time-rate or piece-rate method of payment, (d) employment status, and (e) length of service. The findings are discussed in the following paragraphs.

2.2. Distribution by Broad Occupational Groups—

With a view to ensuring comparability of statistics collected from different sampled establishments, data pertaining to composition of the working force were collected for a fixed date, i.e., 31st December, 1959. The results of the Survey show that on this date the estimated total number of workers employed in the Industry, as a whole, was 14,715. The following statement shows the distribution of these workers by broad occupational groups viz., (a) Professional, Technical and Related Personnel, (b) Administrative, Executive and Managerial Personnel, (c) Clerical and Related Personnel (including supervisory), (d) Production and Related Workers (including supervisory) and (e) Watch and Ward and Other Services. The definitions used for the Survey were the same as contained in the I.L.O. "International Standard Classification of Occupations".

STATEMENT 2.01

Estimated Distribution of Workers by Broad Occupational Groups—
December, 1959.*

Size	Total	Professional, Technical and Related Personnel	Administrative, Executive and Managerial Personnel	Clerical and Related Personnel (including Supervisory)	Production and Related Personnel (including Supervisory)	Watch and Ward and Other Services
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
(a) Large Factories	10,729	99 (0.9)	85 (0.8)	495 (4.6)	9,548 (89.0)	502 (4.7)
(b) Small Factories	3,986	31 (0.8)	94 (2.4)	204 (5.1)	3,541 (88.8)	116 (2.9)
All Factories	14,715	130 (0.9)	179 (1.2)	699 (4.7)	13,089 (89.0)	618 (4.2)

NOTE:— The figures shown in brackets are percentages to col. (ii).

* Data relate to both "Covered" and "Not Covered" under the Factories Act.

The above statistics show that the working force in the Bolts, Nuts, Nails, and Springs factories predominantly comprises of 'Production and Related Workers', constituting nearly 89 per cent. of the total. Clerical and Related Personnel formed the next important group and accounted for nearly 5 per cent. of the total followed by 'Watch and Ward and Other Services', 'Administrative, Executive and Managerial Personnel' and 'Professional, Technical and Related Personnel'. With the exception of 'Administrative, Executive and Managerial' and 'Clerical and Related Personnel', the percentage of workers of other categories was higher in large factories as compared to small ones.

The figure 14,715 mentioned above includes persons deemed to be workers and hence covered under the Factories Act, 1948 and also those who were not considered to be workers for purposes of the Act. It is estimated that in the Industry, as a whole, only 509 persons were not considered to be coming within the purview of the definition of "Worker" as contained in the Act. Of these, 19 per cent. were 'Administrative, Executive and Managerial Personnel', 8 per cent. were 'Professional, Technical and Related personnel', 39 per cent. 'Clerical and Related Personnel' and the rest belonged to the group 'Watch and Ward and Other Services'. Only production workers in all factories were invariably considered to be covered under the Factories Act. In the case of other groups the practice varied. The following Statement gives details in regard to persons in various groups who were found to be covered under the Factories Act, 1948, as on 31st December, 1959.

STATEMENT 2.02

Estimated Percentage of Employees Covered Under the Factories Act—December, 1959.

Size	Estimated number of employees covered as well as not covered	Percentage covered under the Factories Act				
		Professional, Technical and Related Personnel	Administrative, Executive and Managerial Personnel	Production and Related Workers	Clerical and Related Workers	Watch and Ward and Other Services
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
(a) Large Factories	10,729	85.9	58.8	100.0	74.3	73.3
(b) Small Factories	3,986	16.1	33.0	100.0	64.2	68.1
All Factories	14,715	69.2	45.3	100.0	71.4	72.3

2.3. Employment of Women and Children—

The Statement given on next page shows the relative employment strength of men, women and children in the Industry.

STATEMENT 2.03

Estimated Proportion of Men, Women and Children in the Working Force—December, 1959.

Size	Estimated number of workers employed			Total
	Men	Women	Children	
(i)	(ii)	(iii)	(iv)	(v)
(a) Large Factories	10,567 (98·5)	127 (1·2)	35 (0·3)	10,729
(b) Small Factories	3,908 (98·1)	73 (1·8)	5 (0·1)	3,986
All Factories . .	14,475 (98·4)	200 (1·4)	40 (0·2)	14,715

NOTE The figures shown in brackets are percentages to col. (v).

Like other engineering industries in the country, the working force in the Bolts, Nuts, Nails, Springs, Chains Industry also consisted predominantly of men workers, constituting 98 per cent. of the total labour force in the country. Women and children formed a negligible proportion of the total working force. Most of the women workers in the Industry (i.e., 90 per cent.) were 'Production and Related Workers' and the rest belonged to 'Clerical and Related Personnel' group. Women engaged as production workers were employed on light and odd jobs such as loading and unloading of goods, cleaning of work places, separation of screws, assembling of electrical accessories, etc. Women falling in the group of 'Clerical and Related Personnel' were either clerks or working as stenographers.

Children employed in the Industry were all engaged only on production processes like packing of finished goods or as helper to carpenters.

No specific reasons were given by the managements for employing women and child labour. The only reason given by some of them was that they found women and children quite suitable for light jobs.

2.4. Time-rated and Piece-rated Workers—

Both the systems of payment, viz., piece as well as time rates, were prevalent in the Industry, but the proportion of time-rated workers to the total number of workers was quite high accounting for as much as 93·7 per cent. Statement 2.04 on the next page gives the details.

2.5. Contract Labour—

The system of employing contract labour was almost non-existent in the Industry. Such workers were found to be employed in only one of the large factories covered during the Survey and their number was almost negligible. The following Statement gives details regarding employment of contract labour. Wherever contract labour

STATEMENT 2.04

Estimated Proportion of Time-rated and Piece-rated Production Workers in Bolts, Nuts, Nails, Springs and Chains Industry—December, 1959.

Size						Time-rated	Piece-rated
(i)						(ii)	(iii)
(a) Large Factories	..	..	..	..	..	93.7	6.3
(b) Small Factories	..	..	..	..	..	93.8	6.2
All Factories	..	..	..	..	..	93.7	6.3

was employed they were attending to loading and unloading and construction work. The main reason adduced by the managements for employing contract labour was that they found it economical. It was also stated that some of the items of work were so irregular and casual that only contract labour could be utilised for them.

STATEMENT 2.05

Estimated Volume and Extent of Contract Labour in Bolts, Nuts, Nails, Springs and Chains Industry—December, 1959.

Size	Number of factories*	Estimated percentage of factories employing contract labour	Estimated number of persons in the Industry		Estimated total number of workers employed through contractors	Percentage of workers employed through contractors to total employed
			Covered as well as not covered under the Factories Act	Covered under the Factories Act		
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
(a) Large Factories	32	9.4	10,729	10,419	99	0.9
(b) Small Factories	159	—	3,986	3,787	—	—
All Factories	191	1.6	14,715	14,206	99	0.7

*This number does not tally with the number of factories during 1961 given in Statement 1.1. The difference is due to the fact that only those factories which continued to exist till the time of the Survey were covered.

2.6. Employment Status—

In the course of the Survey information was also collected regarding employment status of production workers employed directly by the managements and covered under the Factories Act. The information collected is presented in the Statement 2.06. Classification of workers into permanent, temporary, etc., is regulated by the Standing Orders framed under the Industrial Employment (Standing Orders) Act, 1946. But the above Act applies only to those establishments which employ a certain minimum number of workers.

Since many of the units in the Industry were small, they had no Standing Orders. Therefore, in those units, where there were no Standing Orders, reliance had to be placed on the version of the managements for the classification of workers.

STATEMENT 2.06

Estimated Distribution of Production Workers Employed Directly by Employment Status—December, 1959.

Size	Estimated number of production workers	Permanent	Proba- tioners	Tempo- rary	Badli	Casual	Appren- tices	Others
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
(a) Large Factories	9,449	7,326 (77.5)	—	1,550 (16.4)	—	552 (5.9)	21 (0.2)	—
(b) Small Factories	3,541	2,372 (67.0)	31 (0.9)	1,007 (28.4)	—	—	58 (1.6)	73 (2.1)
All Factories	12,990	9,698 (74.7)	31 (0.2)	2,557 (19.7)	—	552 (4.2)	79 (0.6)	73 (0.6)

NOTE—Figures in brackets are percentages to col. (ii).

It will be seen that taking the Industry as a whole, 75 per cent. of the production workers were permanent and the rest were non-permanent, i.e., belonged to such categories as 'Temporary', 'Casual', 'Apprentices', etc. There was no system of employing *badli* workers in the Industry. The percentage of permanent workers was higher (78 per cent.) in large factories as compared to small factories (67 per cent.), and reverse was the case in respect of temporary workers. Casual workers were found to be employed only in large factories.

2.7. Length of Service—

Data relating to the length of service of production and related workers (including supervisory personnel) employed directly by the managements and covered under the Factories Act were obtained and are presented in the Statement 2.07. Under the Factories Act employers are required to maintain a leave register showing the date of appointment of each employee. However, it was found that very few factories maintained such registers and even those who maintained them did not record the date of appointment. In such cases other sources, e.g., the records maintained in connection with the Employees' State Insurance Corporation Scheme, were utilised but where none of the source was available, reliance had to be placed on the management and the information was recorded as given by them.

STATEMENT 2.07

Estimated Distribution of Production Workers Employed Directly According to Length of Service—December, 1959.

	Estimated number of	Percentage of workers with a service of			
(i)	(ii)	(iii)	(iv)	(v)	(vi)
(a) Large Factories	9,449	31·3	42·8	17·0	8·9
(b) Small Factories	3,541	56·3	33·2	6·5	4·0
All Factories	12,990	38·1	40·2	14·1	7·6

Nearly 38 per cent. of the production workers in the Industry were found to have put in less than one year's service, 40 per cent. one year or more but less than five years, 14 per cent. five years or more but less than 10 years' service and the rest had put in a service of 10 or more years. The proportion of workers having put in longer service was higher in large factories. In small establishments, a majority of workers were found to have less than one year's service to their credit. The main reason for higher proportion of workers with shorter length of service in small factories seem to be lower rates of wages and the absence of other facilities. The managements generally stated that as soon as workers found more attractive terms in other factories they quitted their jobs. Another factor responsible for such a situation was that many establishments came into existence only during a few years preceding the Survey.

2.8. Absenteeism—

The following Statement shows the absenteeism rate in the Industry during the year 1959. Statistics collected relate only to production workers employed directly, excluding *badli* and casual employees.

STATEMENT 2.08

Estimated Absenteeism Rate in Bolts, Nuts, Nails, Springs and Chains Industry during 1959.*

Month						Large Factories	Small Factories	All Factories
(i)						(ii)	(iii)	(iv)
January	..	..	..	..	..	10·6	7·3	9·6
February	..	..	..	..	..	11·0	10·0	10·7
March	..	..	..	..	..	12·0	12·3	12·1
April	..	..	..	..	..	12·7	11·9	12·5
May	..	..	..	..	..	14·8	12·9	14·3
June	..	..	..	..	..	14·0	12·3	13·5
July	..	..	..	..	..	12·4	11·6	12·2
August	..	..	..	..	..	11·0	11·0	11·0
September	..	..	..	..	..	11·9	12·0	11·9
October	..	..	..	..	..	14·2	10·5	13·1
November	..	..	..	..	..	12·8	10·6	12·2
December	..	..	..	..	..	11·4	11·9	11·5
Average 1959					..	12·4	11·2	12·1

* In percentages.

The absenteeism rate ranged from 9.6 to 14.3 per cent., the lowest being in the month of January, 1959 and the highest in May, 1959. The average for the year 1959 was 12.1 per cent. Generally managements did not keep any record of absences by causes and hence no statistics could be collected concerning them. However, an attempt was made to ascertain causes of high absences during any particular month. It was found that absenteeism rate increased during summer months and rainy season. It was also higher during festivals or months in which marriages as a custom are performed. Except in the months of March, September and December, 1959, the rate of absenteeism was higher in large factories as compared to smaller ones.

2.9. Labour Turnover—

Data relating to labour turnover was collected for the whole year 1959, in respect of production workers (excluding unpaid apprentices and casual workers) employed directly by the managements. The results obtained regarding accession and separation rates are given in the following Statement.

STATEMENT 2.09

Estimated Accession and Separation Rates in Bolts, Nuts, Nails, Spring and Chains Industry—During 1959.*

Month	Accession Rate			Separation Rate		
	Large Factories	Small Factories	All Factories	Large Factories	Small Factories	All Factories
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
January	2.8	11.2	5.2	1.4	5.8	2.7
February	6.6	7.7	6.9	1.8	5.2	2.8
March	0.8	9.3	3.2	2.1	10.4	4.5
April	4.1	9.8	5.7	3.3	16.6	7.0
May	7.3	17.7	10.1	2.4	13.1	5.4
June	3.1	17.0	7.0	5.0	11.8	6.9
July	4.1	12.7	6.5	2.4	17.7	6.7
August	3.3	14.8	6.5	4.1	9.7	5.7
September	2.8	11.1	5.3	3.6	10.8	5.7
October	7.5	9.6	8.1	2.3	10.2	4.6
November	2.1	15.9	6.2	3.9	14.1	6.8
December	1.8	11.1	4.5	2.3	12.9	5.3
Average 1959	3.9	12.3	6.3	2.9	11.6	5.4

* In percentages.

The average monthly accession and separation rates in the Industry were 6.3 per cent. and 5.4 per cent., respectively, during the year 1959. As between different months the rate ranged from 3.2 to 10.1 per cent. in the case of accessions and between 2.7 and 7 per cent.

in the case of separations. Rate of labour turnover was quite high in small factories pointing the instability of labour force in these factories. The accession rate in both groups of factories (i.e., large and small) was higher as compared to separation rate during the year, indicating the expansion of the working force during 1959.

An effort was made in the course of the Survey to collect separations by causes. However, it was found that the records maintained by the managements were not very satisfactory. Hence, reliance had to be placed on the information furnished by the managements. The information collected is given in the following Statement.

STATEMENT 2.10

Showing the Estimated Percentage of Separations by Causes in Bolts, Nuts, Nails, Springs and Chains Industry—During, 1959.

Causes								All Factories (Percentages)
								(ii)
Discharge or Dismissals	..	..	..	..	..	..	..	21.0
Quits*	..	..	..	..	..	..	..	78.6
Retirement, Death, etc.	..	..	..	..	..	..	..	0.2
Others	..	..	..	..	..	..	..	0.2

It would be seen from the above Statement that about 79 per cent. of separations were on account of workers quitting their jobs and 21 per cent. due to discharge or dismissals. The percentage of separations on account of retirement or death, etc., was quite insignificant.

2.10. System of Recruitment—

An almost universal practice in the factories was to recruit workers directly at the factory gate. Only in a very few small factories it was found that either the clerical staff or some technical persons were being recruited through advertisement or by the proprietors from outside. Such factories constituted a negligible proportion of all factories in the Industry. None of the managements stated that they were utilising the services of employment exchanges.

2.11. Regulation of Employment of Casual Labour—

The system of employment of *badli* workers was not in vogue in any of the units in the Industry, but casual labour was engaged in some of the units. In those units also there was no regular system as such to systematise or regulate the employment of casual labour. In one of the small factories, casual labour was engaged but off the record.

* "Quits are termination of employments initiated by employees because of acceptance of jobs elsewhere, dissatisfaction, marriage, maternity, ill health, unauthorised absence, etc."

2.12. Training and Apprenticeship—

The system of providing training to workers was prevalent in nearly 8.4 per cent. of the Bolts, Nuts, Nails, Springs and Chains factories in the country. The proportion of large factories providing training facilities was as high as 18.7 per cent. as against 6.3 per cent. of small ones. Of the units, which reported training and apprenticeship schemes, everywhere training facilities were on an *ad hoc* basis. The most common occupations or jobs for which training was being imparted were Fitting, Turning, Milling, Shaperman, Pressman and Carpentry.

Opportunities for receiving training were open to general public. However, the managements of all large factories stated that they gave preference to persons who had already received training at some Government Institute. Nearly half of the small factories providing training facilities stated that they considered persons recommended by their employees at the time of selecting trainees.

None of the factories had fixed the period of training. However in general practice it was found that it ranged from 3 to 6 months in the case of small factories and 3 to 4 years in the case of large establishments depending upon the job or occupation. With the exception of half of the small factories, everywhere trainees were given some remuneration or allowance during the period of their training. Of the large factories providing training facilities, half were paying an allowance of Rs. 30 per month during the period of training, while the rest paid Rs. 35 per month during the first year of training and Rs. 2.88 per day thereafter. The trainees in small factories were being paid Rs. 1.50 per day for the first month, Rs. 2.00 per day for the second month and Rs. 2.31 per day for the last month of the training. Nowhere in the Industry any written contract existed between apprentices and managements. However, half of the small factories imparting training reported that they entered into a verbal contract with trainees. It was noticed that only these small factories guaranteed employment to trainees after successful completion of the training course. None of the factories imparting training had made arrangements for theoretical courses.

CHAPTER III

WAGES AND EARNINGS

3.1. *Wage Revisions and Minimum Rates of Wages—*

Information collected in the course of the Survey shows that there has been no standardisation of wage-rates, etc., in the Industry on a country-wide basis. The wage structure in different factories was therefore found to be the result of either individual or collective bargaining between workers and employers or based on settlements reached between the two parties in the course of conciliation proceedings or adjudication awards, etc. Information collected in respect of number of wage revisions affecting majority of workers in the sampled establishments since 1956 shows that only in about 6 per cent. of the factories there were wage revisions. Significantly enough wage revisions were found to have taken place only in large establishments. Of the factories where there were wage revisions, in 72.7 per cent. wages had been revised only once and in the rest twice only. An analysis of the methods used for the revision of wages shows that 40 per cent. of the revisions were effected by mutual agreement between employers and workers' representatives and 20 per cent. were the result of voluntary decisions of managements. The rest were equally the results of conciliation and executive orders.

In the absence of any standardisation of wages it was but natural that rates of wages, etc., were found to be differing not from centre to centre but also from one factory to another in the same centre. Since the Bureau had already conducted an Occupational Wage Survey, no attempt was made to collect data for individual occupations but information was collected regarding rates of wages of lowest-paid workers in each sampled factory. The statistics show that the total sum paid as basic wages and dearness allowance to lowest-paid workers varied from Re. 0.50 to Rs. 2.88 per day in the case of men and from Re. 1 to Rs. 2.25 in the case of women. The variation was largely due to differences in geographical location of sampled factories. No instance of any discrimination between men and women in matters of payment was noticed in any factory and both were being paid equal pay if engaged on identical work. Usually lowest-paid men and women workers were employed as *Mazdoors* or helpers. In a few factories they comprised such persons as Pressmen, Machine Operators, Threaders and Turners. Children were found to be employed in only one factory. They were working as packers and receiving Rs. 1.19 per day.

3.2. *Pay Periods—*

The predominant pay period in the Industry was month and it accounted for nearly 75 per cent. of the workers in the country. The percentage of workers who were being paid once in a fortnight and once in a week was only 4.1 and 20.5 respectively. The details are given in the following Statement.

STATEMENT 3.1

Estimated Distribution of Workers According to Pay Periods

Size	Estimated number of workers*	Percentage of workers whose pay period was		
		Month	Fortnight	Week
(i)	(ii)	(iii)	(iv)	(v)
(a) Large Factories	10,320	75.0	4.2	20.8
(b) Small Factories	3,787	76.3	3.9	19.8
All Factories	14,107	75.4	4.1	20.5

*Relates to persons covered under the Factories Act but excluding workers employed through contractors for which information was not available.

3.3. *Earnings—*

In the present Survey data were collected pertaining to earnings of workers by broad groups e.g., all workers (covered under the Factories Act), all production workers (separately for men, women and children), lowest-paid workers employed directly as well as through contractors, clerical employees and watch and ward and other related workers. With a view to ensuring comparability of the data, the information was collected for one wage period immediately preceding 31st December, 1959. As mentioned earlier, since the Bureau had already conducted a detailed Occupational Wage Survey in 1958-59, no attempt was made to collect earnings data of workers by occupations. The information so collected is presented in the Statement given below.

STATEMENT 3.2

Estimated Average Daily Earnings of Workers Engaged in Bolts, Nuts, Nails, Springs and Chains Industry in December, 1959.

(In Rupees)

Size	All workers*	Production workers			
		Men	Women	Children	All production workers
(i)	(ii)	(iii)	(iv)	(v)	(vi)
(a) Large Factories ..	3.14	3.00	1.84	1.31	2.99
(b) Small Factories ..	2.90	2.80	1.38	—	2.77
All Factories ..	3.08	2.95	1.62	1.31	2.93

*Relate to those covered under the Factories Act.

The average daily earnings of all workers in the Industry in December, 1959 were Rs. 3.08 and similar figure for only "production workers" was Rs. 2.93. Among production workers, the average daily earnings of men, women and children in the Industry were Rs. 2.95, 1.62 and 1.31 respectively. The figures show that average daily earnings of all categories of workers except children were higher in large factories.

The average daily earnings of the lowest-paid production workers employed directly are presented in the following Statement. Similar information in respect of workers employed through contractors could not be collected as the relevant records were not available.

STATEMENT 3.3

Estimated Average Daily Earnings of Lowest-Paid Production Workers Employed Directly During December, 1959.

(In Rupees)

Size	Men	Women	Children	All workers
(i)	(ii)	(iii)	(iv)	(v)
(a) Large Factories	2.32	1.82	1.31	2.31
(b) Small Factories	1.92	1.00	..	1.91
All Factories	2.19	1.36	1.31	2.17

It would be seen that the average daily earnings of the lowest-paid men, women and children employed as production workers were Rs. 2.19, Rs. 1.36 and Rs. 1.31 respectively and the overall figure for all such workers was Rs. 2.17. As in the case of all workers and all production workers, the average daily earnings of the lowest-paid production workers were also higher in large factories as compared to small ones. From the figures given in the Statement 3.3 it would be seen that the average daily earnings of men were higher than those of women. This should not be taken to indicate that there was any discrimination between men and women. The main reason for the differences was that women were employed only in a few units whereas in most of the units men alone were employed and in many of them the rate of pay of lowest-paid men was higher.

3.4. Earnings of Clerical and Watch and Ward Staff—

In the present Survey data concerning earnings without break-up by components, of 'Clerical Employees' and persons employed in 'Watch and Ward and Other Services' were collected for one pay period immediately preceding 31st December, 1959. The results obtained are produced in the following Statement.

STATEMENT 3.4

Estimated Average Daily Earnings of Clerical and Watch and Ward Staff—December, 1959.

(In Rupees)

Size						Clerical and Related Workers	Watch and Ward and Other Services
(i)						(ii)	(iii)
(a) Large Factories..	..	..	..	..	..	5.13	2.84
(b) Small Factories	..	..	..	..	..	4.66	2.30
All Factories	..	..	..	..	..	5.01	2.75

Average daily earnings of clerical and related employees in the country were Rs. 5.01 and those of watch and ward and other services were Rs. 2.75. In the case of both the groups the above figures testify that the rate of earnings was higher in large factories. The average daily earnings of clerical and related employees in the Industry, as a whole, were invariably higher than the average daily earnings of all production workers (Rs. 2.93). The average daily earnings of persons in the group 'Watch and Ward and Other Services' were higher than those of the lowest-paid production workers (Rs. 2.17) but lower than those of all production workers.

3.4. Components of Earnings—

Statement 3.5 shows the earnings of workers by various components in the Industry:—

STATEMENT 3.5

Estimated Average Daily Earnings by Components of All Workers, in Bolts, Nuts, Nails, Springs and Chains Industry in December, 1959.

(In Rupees)

Size	Basic earnings (Basic wage and Dearness allowance)	Production Incentive bonus	Night shift allowance	House rent allowance	Transport allowance	Overtime pay	Other allowances	Total
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
(a) Large Factories .	3.00 (95.6)	0.13 (4.1)	—	0.01 (0.3)	—	—	0.00	3.14 (100.0)
(b) Small Factories .	2.87 (90.0)	—	—	0.00	—	0.02 (0.7)	0.01 (0.3)	2.90 (100.0)
All Factories	2.97 (96.5)	0.09 (2.9)	—	0.01 (0.3)	—	0.01 (0.3)	0.00	3.08 (100.0)

Note—Figures in brackets are percentages to col. (ix).

3.4.1. (a) Basic Earnings—

The term "basic earnings" includes basic wages and dearness allowance wherever paid separately. The two components could not be presented separately since in majority of the factories (i.e., 71 per cent.)

workers were being paid only a consolidated wages. The figures show that 'basic earnings' account for as much as 96.5 per cent. of the total earnings. Among the factories paying dearness allowance as a separate component in 28.6 per cent. the dearness allowance was paid on a slab basis i.e., the rate ranged according to income groups, in 51.8 per cent. at a flat rate, in 5.4 per cent. the dearness allowance was linked to consumer price index numbers and in the rest payment was at the discretion of the management. The factories which were paying dearness allowance on the basis of consumer price index numbers were located in Bombay and they were found paying 55 per cent. of the Cotton Textile worker's dearness allowance to their employees.

3.4.2. *Production or Incentive Bonus—*

Production or Incentive bonus formed the next important component of the earnings of workers in the Industry and constituted 2.9 per cent. of the total. The system of paying Production or Incentive bonus was in vogue only in a very few large factories. In all these establishments such bonus was being paid to all workers. Only about half the concerned factories had any regular scheme specifying the norms, rate of payment, etc. In the rest, no standard had been prescribed and payments were made at the discretion of the management.

3.4.3. *House Rent Allowance—*

House rent allowance was being paid only by 5.8 per cent. of the factories in the Industry. The proportion of large factories paying such an allowance was higher (18.8 per cent.) as compared to the small ones (3.2 per cent.). Such an allowance was being paid to only a restricted number of workers and this explains why it constitutes only a small percentage of the total earnings. In half of the large factories, house rent allowance was being paid only to peons and office clerks at the rate of Rs. 5 per month and Rs. 10 to Rs. 15 per month respectively. In the rest, managements were paying a house rent allowance to the extent of Rs. 30 per month to persons recruited from outside. In small factories the allowance was being paid only to permanent workers, Foremen, etc. The payment was purely discretionary and the rate ranged between Rs. 3 and Rs. 13 p.m.

3.4.4. *Overtime Pay—*

The proportion which overtime payments constitute to total earnings was the same as house rent allowance. One difference in the case of the two is that whereas house rent allowance was being paid by some of the large as well as small factories, overtime payment was noticed in only a few of the small factories.

3.4.5. *Other Allowances—*

The system of paying other types of allowances was noticed in only one small factory. The management of this factory was paying a Tiffin Allowance at the rate of Re. 0.25 per day to all those workers who worked for more than half the day and reported for duty after the rest interval. Those who worked for more than 6 or 7 hours were being paid an additional sum of Re. 0.19 per day. A supervision allowance was also being paid but it was restricted to the Head *Maistry* who was getting Rs. 25 per month on this account.

3.5. *Annual Bonuses—*

3.5.1. *Profit Sharing Bonus—*

No such scheme was found to be in force in any of the factories surveyed.

3.5.2. *Annual Bonus—*

Nearly 21 per cent. of the factories in the country were found to be paying annual bonus. The percentage of large factories paying such bonus was higher (i.e., 28.1 per cent.) as compared to small factories (19.5 per cent.). Of the factories paying annual bonus, in 52.5 per cent. the payment was being made at the discretion of the managements, in 32.5 per cent. on the basis of agreements reached between workers and managements, in 7.5 per cent. as a result of adjudication awards and in the rest in pursuance of agreements reached in the course of conciliation proceedings.

Of the factories paying bonus, in only 22.2 per cent. the payment was restricted to production workers and watch and ward staff. Everywhere else it was being paid to all employees. The payment was invariably in cash and the rate of payment varied from factory to factory and generally ranged between 6 days' pay to one-twelfth of earnings in the preceding calendar year. In a few cases, even 3 months' consolidated wages had been paid as bonus.

3.5.3. *Festival Bonus—*

The practice of paying festival bonus was prevalent in 30.4 per cent. of the factories in the country. However, only in a few cases it was being paid on a regular basis. In nearly two-thirds of the factories the payment was being made at the discretion of the managements and in the rest it was as a result of agreement between employers and workers. Everywhere such a bonus was being paid to all employees either on the eve of 'Puja festival' or 'Deepawali'. The mode of payment was cash and the amount paid usually ranged between 6 days' to 1 month's pay. While in some of the factories no qualifying condition was insisted upon, in others payment was made to only those who had been in service for 3 months to one year.

3.6. *Fines and Deductions—*

Everywhere the managements stated that since no fines were being imposed by them on workers, they did not maintain any separate fines registers. Almost in all the factories the deductions wherever made for the absences, defaults, damages or on other accounts (e.g., Provident Fund, Employees State Insurance Contributions) were in conformity with the provisions of the law. Only 29.3 per cent. of factories in the Industry maintained separate registers for showing deductions as prescribed under the Payment of Wages Act. The rest were using pay registers for this purpose and were maintaining any separate register. It was noticed that the proportion of factories keeping deductions registers was higher in large factories as compared to small ones.

CHAPTER IV

WORKING CONDITIONS

4.1. Shifts—

Since shift working was almost the rule in the Industry inasmuch as about 89 per cent. of the factories worked one shift and the rest two shifts. The following Statement shows the distribution of factories according to the number of shifts worked. It will be noticed that two shifts were comparatively more common in large factories.

STATEMENT 4.1

Estimated Percentage Distribution of Bolts, Nuts, Nails, Springs and Chains Factories, According to the Number of Shifts Worked, 1960-61.

Size	Number of factories	Percentage of factories having			Percentage of factories having night shifts
		One shift	Two shifts	Three shifts	
(i)	(ii)	(iii)	(iv)	(v)	(vi)
(a) Large Factories ..	32	53.1	46.9	—	9.4
(b) Small Factories ..	159	96.9	3.1	—	3.1
All Factories ..	191	89.5	10.5	—	4.2

Only a small proportion of the factories in the country worked night shift. The proportion of factories working night shifts was about three times higher in large factories as compared to small establishments.

4.2. Hours of work—

Statement 4.2 shows the proportion of factories according to the length of daily hours of work of majority of workers in the Industry.

STATEMENT 4.2

Estimated Distribution of Bolts, Nuts, Nails, Springs and Chains Factories according to Daily Hours of Work—1960-61.

Size	Number of factories	Percentage of factories where daily hours of work for majority of workers were for						Percentage of factories where night shift hours were			
		Adults			Children						
		Less than 8 hours	Equal to 8 hours	More than 8 hours	Upto 4½ hours	More than 4½ but less than 8 hours	Equal to 8 hours	Less than 6 hours	More than 6 but upto 7 hours	More than 7 but upto 8 hours	More than 8 hours
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)
(a) Large Factories	32	—	62.5	37.5	100.0	—	—	—	—	100.0	—
(b) Small Factories	159	—	80.5	19.5	—	—	100.0	—	—	100.0	—
All Factories .	191	—	77.5	22.5	37.5	—	62.5	—	—	100.0	—

The daily hours of work for adult workers in 77.5 per cent. of the factories in the country were generally restricted to 8 per day and it was only in 22.5 per cent. of the factories that the working hours were more than 8 per day. However, weekly hours did not exceed 48 in any of the factories. Wherever, daily hours were more than 8 the excess hours were absorbed in the last working day of the week by working shorter hours. Child labour was found to be employed in some of the large as well as small factories. It was noticed in the course of the Survey that, whereas large factories observed the limitations imposed on the hours of work of children and took only $4\frac{1}{2}$ hours' work, small factories were disregarding the law and had prescribed the same number of hours for children as for adult workers. Very few establishments employed contract labour. However, wherever they were employed, their timings were not fixed.

Only a few factories were found to be working night shifts. These comprised both large and small factories. In all these factories there was a regular system of change-over of workers from one shift to another. In the large factories the change-over was effected once in a week and in the small factories it was done once in a fortnight. None of these factories provided any amenity or paid any allowance to those who worked in night shifts. However, in large factories the hours of work of night shift workers were half an hour less than those of day shift employees. Statement 4.3 shows the distribution of factories according to the duration of spread-over and rest-intervals and also the percentage of factories where hours of work were not being observed.

STATEMENT 4.3

Estimated Distribution of Factories According to Spread-over, Rest-intervals, etc.—1960-61.

Size	Number of factories	Percentage of factories where						Timings were not being observed
		Spread-over for adult wokers was			Rest-interval for adult workers was			
		Less than 8 hours	8 to 9 hours	More than 9 hours	Less than $\frac{1}{2}$ an hour	$\frac{1}{2}$ to 1 hour	More than 1 hour	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
(a) Large Factries	32	—	71.9	27.1	—	81.2	18.8	28.1
(b) Small Factories	159	—	86.8	13.2	—	90.6	9.4	25.8
All Factories	191	—	84.3	15.7	—	89.0	11.0	26.2

The law provides for the grant of at least half an hour's rest interval after five hour's work. The Survey results show that all the factories were complying with the law and in fact, a few were granting even longer periods of rest. It is estimated that in 89 per cent. of the factories the rest interval was between half an hour to one hour and in the remaining factories it was even more than an hour. None of the factories exceeded the maximum limit of 10½ hours prescribed as spread-over. In fact, in 84 per cent. of the factories it ranged only between 8 and 9. In general, shift timings were found to be observed. Laxity in this matter was noticed only in about 26 per cent. of the establishments in the country.

4.3. *Dust and Fumes—*

The available information indicates that dust and fumes are not a problem in the Bolts, Nuts, Nails, Springs and Chains factories. Dusty processes were reported in only 2.6 per cent. of the factories in the country. In these factories, elaborate precautions had been taken to arrest dust. The managements had installed dust arresters on the concerned machines and had provided local as well as general exhausts. The main process causing dust was found to be buffing and it had been isolated. The rooms where such processes were carried on were found to be kept clean.

The processes which gave rise to fumes, vapours, gases, etc., were reported in only 18.8 per cent. of the large factories, representing 3.1 per cent. of the total factories in the country. Manufacturing processes responsible for fumes, vapour, etc., in the Industry were mainly annealing and welding. Every where such processes had been isolated. However, in only 50 per cent. of factories having such processes, protective equipments in the shape of masks and goggles had been provided to workers.

4.4. *Seats for Workers—*

The Factories Act, 1948 makes it obligatory on managements to make suitable arrangements for sitting for all such workers as are obliged to work in a standing position so that they may take advantage of any opportunity for rest which may occur in the course of their work. Since many of the operations in the Industry are being performed by workers while standing the above provision of the law assumes greater significance. This aspect was enquired into in the course of the Survey and it was noticed that only 37.1 per cent. of the factories in the country had made seating arrangements. The percentage of such units was 20.7 among large factories and 40.6 among small ones. When questioned about the reasons for not providing seats, the defaulting managements generally contended that the work was of such a nature that it was not possible for the workers to be away from the machines even for a minute without affecting production. Some expressed their helplessness in the matter on account of shortage of space. A few maintained that since seating arrangements had been made in places other than the work-rooms, such as canteen, etc., they did not consider it necessary to make special arrangements at work places. Some of the managements of small factories pleaded ignorance of the law.

4.5. Conservancy—

The Factories Act requires every employer to maintain adequate number of latrines and urinals for the use of workers, separately for men and women. It not only lays down the scale of conservancy arrangements but also provides that they should be adequately lighted, ventilated and maintained in a clean and sanitary condition at all times. Statement 4.4 gives details relating to conservancy arrangements in the Industry at the time of the Survey.

STATEMENT 4.4

Conservancy Arrangements in Bolts, Nuts, Nails, Springs and Chains Industry—1960-61.

Estimated percentage of factories											
Size	Number of factor	Providing		Where latrines were of				Other types	Providing watertaps	Where latrines were properly screened	Employing women and making separate arrangements for them*
		Latrines	Urinals	Water Borne		Dry Type					
				Sewer	Septic tank	Bore hole	Pan				
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(xiii)	(iu)	(x)	(xi)	(xii)
(a) Large Factories	32	100.0	71.9	43.8	9.4	28.1	18.7	—	71.9	90.6	60.0
(b) Small Factories	159	77.4	51.6	33.4	8.1	8.1	50.4	—	50.4	95.9	66.7
All Factories	191	81.2	55.0	35.5	8.4	12.2	43.9	—	54.8	94.8	63.3

*The percentages relate to factories providing latrines and urinals as also employing women.

It would be evident from the Statement 4.4 that at the time of the Survey 81 per cent. of the factories in the Industry had provided latrines. The defaulters in this matter were only small factories. Nearly 44 per cent. of the factories had modern sanitary arrangements in the shape of septic tanks or water borne sewers and the rest had provided dry type of latrines. About one-third of the factories employing women workers in the Industry had not made separate arrangements for them. Absence of proper screens for ensuring privacy in lavatories was noticed in only a few of the factories. However, in regard to provision of water taps near latrines the compliance was not so good as only 54.8 per cent. of the factories in the country had made such arrangements.

The compliance of the law in regard to urinals was found to be quite unsatisfactory as about 55 per cent. of the factories had made such arrangements. In none of the units employing women, separate arrangements existed for men and women. The main reason for such a position seems to be that very few factories employed

women and even in these their number was negligible. Generally latrines and urinals, wherever provided, were in conformity with the prescribed scale and majority of them were of permanent structure. The walls were found to have been plastered in 65 per cent. of factories in the case of latrines and 81 per cent. of factories in the case of urinals. In the rest they were either built of impervious material or tarred. The percentage of factories where sanitary conditions of privies were found to be unsatisfactory, was 36.2.

4.6. *Leave and Holidays with Pay—*

The Factories Act, 1948 provides only for the grant of annual leave (i.e., earned leave) with pay to workers. However, it was found in the course of the Survey that in some of the factories various other types of leave facilities were also being granted either as a result of agreements and awards or on the basis of voluntary decisions of managements. The following Statement shows the percentage of factories granting various types of leave and holidays with pay.

STATEMENT 4.5

Estimated Percentage of Bolts, Nuts, Nails, Springs and Chains Factories Granting Various Types of Leave and Holidays with Pay—1960-61.

Size	Number of factories	Percentage of factories granting			
		Earned leave (i.e., Annual leave)	Casual leave	Sick leave	National and festival holidays
(i)	(ii)	(iii)	(iv)	(v)	(vi)
(a) Large Factories ..	32	90.6	37.5	9.4	100.0
(b) Small Factories ..	159	64.8	6.3	3.1	83.6
All Factories ..	191	69.1	11.5	4.2	86.4

4.6.1. *Earned Leave—*

It is estimated that nearly 69 per cent. of factories in the Industry were found granting earned leave to their employees at the time of the Survey. The compliance with the law was better in large factories as compared to small ones. Everywhere the managements were following the provisions of the Factories Act in regard to the period of leave, qualifying conditions and rate of payment.

With a view to obtaining a picture of the extent of benefit actually enjoyed by workers, information was also collected about the number of workers who availed of leave together with the period of leave enjoyed during 1959. The details are given in Statement 4.6,

STATEMENT 4.6

Estimated Number of Workers who were granted Earned Leave with Pay During 1959.

Size	Estimated average daily number of workers employed in 1959	Estimated number of workers who enjoyed leave in 1959	Percentage of workers who availed of leave to the total employed	Distribution of workers who availed of leave by period of leave taken						
				Up to 5 days	6 to 10 days	11 to 15 days	16 to 20 days	21 to 25 days	26 to 30 days	Over 30 days
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)
(a) Large Factories	8,919	5,797	65.0	13.3	21.0	55.4	6.0	2.9	0.9	0.5
(b) Small Factories	3,337	1,049	31.4	34.0	16.0	43.5	3.4	1.5	—	1.6
All Factories	12,256	6,846	55.9	16.5	20.2	53.6	5.6	2.7	0.7	0.7

The figures show that about 56 per cent. of the workers in the Industry, covered under the Factories Act, availed of earned leave with pay during 1959. The proportion of workers who enjoyed leave was higher (65 per cent.) in large factories as compared to small factories (31.4 per cent.). The largest proportion of workers took 11 to 15 days' leave (53.6 per cent.), persons taking 6 to 10 days' leave were next in the order (20.2 per cent.), and those availing up to 5 days were next in the row (16.5 per cent.). It was also noticed that some of the factories paid wages to workers *in lieu* of leave.

4.6.2. Casual Leave—

The Survey results have shown that 11.5 per cent. of the factories had a system of granting casual leave with pay. This facility was very restricted in the sense that of the factories granting casual leave in only 13.6 per cent. the benefit was available to all, in 27.3 per cent. it was available to only those employees who were permanent and in the rest it was confined to supervisory, clerical and other monthly-rated employees. In one-fourth of the large factories granting casual leave the benefit was restricted to those supervisory and clerical employees who had completed one year's service. In the rest, casual leave was given to all permanent employees. However, half of them had imposed a qualifying condition of six months' service. The number of days allowed in a year varied considerably and ranged from 2 to 7 in the case of large factories. Of the small factories granting casual leave half were allowing the benefit to their monthly-rated employees alone and in the rest it was limited to clerical employees. In none of these factories the number of days which could be availed of were fixed and it was entirely a matter of discretion of managements. In all the factories whether large or small, full pay was given to employees granted casual leave.

4.6.3. Sick Leave—

Wherever the Employees' State Insurance Scheme had been implemented, workers were entitled to avail of such leave with cash. However, in those areas where the scheme was not in force grant of sick leave with pay was entirely at the discretion of managements. In the course of the Survey it was noticed that of the factories situated in

non-implemented areas only 9.4 per cent. of the large and nearly 3 per cent. of small factories were granting sick leave. Thus in the country, as a whole, the percentage of such factories is estimated to be only 4.2. In the concerned large factories such benefit was available to those workers who had completed at least six months' service. On the other hand, among small factories it was restricted to supervisory, clerical and monthly-paid employees. The period of leave which could be availed of in a year was fixed at 7 days in large factories. Full pay was given for the first two days and during the remaining period a worker was paid only the difference between his daily rate and the amount to be received from the Employees State Insurance Corporation. In the small factories though full payment was made for all the days, the duration of leave with pay was entirely at the discretion of the managements.

4.6.4. *National and Festival Holidays—*

The system of giving national and festival holidays with pay was widely prevalent in the Industry. It is estimated that at the time of the Survey about 86 per cent. of the factories were granting such holidays. The number of paid holidays allowed in a year, however, varied widely from factory to factory, and ranged from 1 to 18 days. Statement 4.7 gives the percentage distribution of factories according to the number of days allowed in a year as paid holidays.

STATEMENT 4.7

National and Festival Holidays with Pay allowed in Bolts, Nuts, Nails, Springs and Chains Factories—1960-61.

Size	Number of factories	Estimated percentage of factories granting national/and festival holidays	Estimated percentage of factories where the number of days allowed in a year was				
			Up to 5 days	6 to 10 days	11 to 15 days	16 and over	Not fixed
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
(a) Large Factories	32	100.0	9.4	28.1	53.1	—	9.4
(b) Small Factories	159	83.6	46.3	30.4	19.5	3.8	—
All Factories	191	86.4	39.1	30.0	26.1	3.0	1.8

The figures show that in a majority of the factories not more than 10 holidays were granted in a year and in roughly 4 out of every 10 factories not more than 5 holidays were allowed. Except for 12.7 per cent. of the factories where pay for the holidays was being given only to permanent or monthly-rated staff, everywhere else all employees were being paid normal wages for such holidays. In some cases payment was subject to the attendance of the worker on the day preceding or following the holiday.

4.6.5. *Weekly Off—*

All the factories throughout the country were found to be complying with the provisions of the law in regard to the grant of weekly off to their employees. Since the law does not provide for payment of such off-days, except in the case of monthly-rated staff, employees were not being paid for such days.

CHAPTER V

WELFARE AND OTHER AMENITIES

Welfare activities undertaken by employers, trade unions and certain other amenities provided to workers broadly fall under two distinct categories: (i) Obligatory, i.e., those prescribed under law, and (ii) Non-obligatory, i.e., those which are not statutory but are being provided by employers of their own accord on humanitarian considerations. In the course of the present Survey information was collected on both the types of facilities provided by the employers and the position as found in the Industry is described in the following paragraphs:

(a) *Obligatory—*

5.1. *Drinking Water Facilities—*

All the factories surveyed in the Industry were found to have provided this basic amenity. The type of facility provided, however, varied considerably. Statement 5.1 shows the distribution of factories according to the type of arrangements made.

STATEMENT 5.1

Drinking Water Facility in Bolts, Nuts, Nails, Springs and Chains Factories—1960-61.

Size	Number of factories	Estimated percentage of units providing drinking water	Estimated percentage of factories where water supply arrangements were					Estimated percent- age of factories having cool water arrange- ments in summer months
			Mechanical coolers	Earthen pitchers	Earthen pitchers, buckets and drums	Tubewells pumps	Only taps	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
(a) Large Factories	32	100.0	—	28.1	—	53.1	18.8	37.5
(b) Small Factories	159	100.0	—	45.3	15.7	22.7	16.3	67.9
All Factories	191	100.0	—	42.4	13.1	27.8	16.7	62.8

NOTE—Percentages relate to col. (iii).

The Survey results show that the most common arrangement for the supply of drinking water was earthen pitchers or tube wells. In about 17 per cent. of the factories water taps had been provided for drinking water. The Factories Act, 1948 authorizes State Governments to frame rules making it obligatory for every factory employing more than 250 workers to supply drinking water cooled by ice or other effective method during certain specified period of the year. It is estimated that only 9.4 per cent. of the large factories were

under a statutory obligation to make such arrangements. In the course of the Survey it was found that none of the factories employing 250 workers had made any arrangements for the supply of cool water during summer months. However, quite a large number of factories which were not under any obligation had made arrangements for the supply of cool water during summer months. They constituted nearly 63 per cent. of the total number of factories in the industry. In most of these factories water was kept in earthen pitchers to keep it cool. Some of the large factories had installed mechanical coolers and others supplied iced water only during summer months. Except for 5.2 per cent. of factories everywhere water receptacles were found to be clean.

5.2. *Washing and Bathing Facilities—*

In the context of the manufacturing processes involved in the Industry, washing arrangement is a positive amenity for workers. The Survey findings show that in about 60 per cent. of the factories in the Industry, one or the other arrangement for washing purpose did exist. Of the factories having such an arrangement nearly 38 per cent. had provided taps on stand pipes, 7 per cent. had wash basins and the rest had made general type of arrangements like hand pumps, receptacles fitted with taps, etc. Of the units having washing arrangements, only 54.8 per cent. supplied some cleaning material. About 66.7 per cent. of these supplied soap and the rest such items as washing soda, kerosene oil, etc. Everywhere combined arrangements had been made for men and women workers.

Bathing facilities existed in only 15.7 per cent. of the factories in the Industry i.e., nearly 28 per cent. of large and 13 per cent. of small factories. Except for one third of the large factories having such arrangements, everywhere bath rooms were found to be clean. One-third of the large factories providing bathing facilities employed women also but no separate arrangement had been made for them. Evidently it was because women were negligible in number. Locker facilities were found to be existing in only 9.4 per cent. of the large factories.

5.3. *Canteens—*

Under the Factories Act, only those factories which employ over 250 workers and are specifically ordered to do so are required to maintain a canteen for the use of workers. All such factories were found to have complied with the law and in addition 9.4 per cent. of the factories, all of whom belonged to large size group and were not under any legal obligation, had also provided canteens. Thus it is estimated that 18.7 per cent. of the large factories in the Industry had canteens. Of the small factories none had made any such arrangement. Therefore the percentage of factories having canteens in the country is estimated to be only about 3.

Of the canteens functioning in the sampled units, half were being run by the contractors and the rest directly by the managements. The usual items sold were tea, coffee and snacks but in 50 per cent. of the canteens meals were also being served. The law requires that the items should be sold on a 'no profit, no loss' basis but in half of the factories having canteens the price charged was at the market rate and in the rest, items were sold at subsidised rates.

All the canteens which were being run by the managements directly had Canteen Managing Committees and the prices were being fixed by these committees. As required by the law they had displayed the price list. All these canteens were located in congenial surroundings and their hygienic condition was quite good. On the other hand, none of the factories where canteens were being run by contractors had any Canteen Managing Committee. The prices of the articles sold were being fixed by contractors and no price lists were found to have been displayed. Their hygienic condition and location also left much to be desired. Judging from the average daily number of workers visiting canteens it is inferred that they were not very popular. One probable reason is that in nearly half the factories running canteens the managements were supplying free tea once a day. In other factories, houses of the workers were quite near the factory. Consequently, workers preferred to go home during rest intervals for food or refreshments.

5.4. *Rest Shelters—*

Rest Shelters for taking meals or for use during rest-intervals or waiting periods, etc., are required by law to be provided by those managements who employ more than one hundred and fifty workers and who do not maintain a canteen of the prescribed standard. It is estimated that about 37 per cent. of large factories employed more than 150 workers. In the course of the Survey it was found that none of these factories had built rest shelters. Only 9.4 per cent. of them had canteens of prescribed standard and hence they were free not to provide any separate rest-shelter. Those of the managements who did not maintain a canteen nor had built rest shelters when questioned about the reasons generally stated that they did not consider it necessary to do so as workers could take their meals near the work place or because their employees lived close to the factory.

5.5. *Creches—*

As mentioned earlier, only a few factories employed women and that too in negligible numbers. Hence, none of them was required under law to maintain a creche, and none had done so either.

5.6. *First-Aid Boxes—*

Under the Factories Act, 1948, the employers are required to maintain first-aid boxes at a prescribed scale and containing the prescribed contents. The information which has been collected shows that 89 per cent. of the factories in the country maintained first-aid boxes. The default was confined to small factories. Among small factories it is estimated that only 86.8 per cent. maintained first-aid boxes as against all large factories. In regard to contents, only 44.7 per cent. of the factories having such boxes were found to be keeping the prescribed items.

The law requires that such boxes should be kept under the charge of trained first-aiders. But such an arrangement existed in only 14.7 per cent. of the factories in the Industry. The compliance was better in large factories (46.9 per cent.) as compared to small ones (7.2 per cent.). Nearly 76 per cent. of trained first-aiders held the certificate of St. John's Ambulance and the rest had the certificate of other agencies like Red Cross.

5.7. Ambulance Rooms—

None of the sampled establishments in the Industry employed more than 300 workers and hence none of them was under any statutory obligation to maintain an ambulance room. However, one of the large sampled establishment was found to be maintaining an ambulance room. No doctor, either full-time or part-time, had been appointed. The room was in the charge of trained first-aiders.

5.8. Medical Facilities—

The law does not make it obligatory on employers to make any other medical arrangement except providing first-aid boxes and ambulance rooms. In the course of the Survey none of the sampled factories was found to have gone beyond the provision of the law and maintained either a dispensary or a hospital. However, some of the factories (i.e., 9.4 per cent.) stated that they had a contract with a local doctor for treatment of their workers. The facility was limited in the sense that in a few of the factories workers were allowed to consult the authorised doctor only once a year, and in others the workers could avail the services of the doctor in cases of sickness, etc., during working hours. Everywhere the arrangement was on an *ad hoc* basis. In none of these factories the facility was extended to contract labour, if employed.

(b) Non-Obligatory—

5.9. Recreational Facilities—

It is estimated that only 11 per cent. of the factories in the country had made arrangements for recreational or cultural activities. Though the proportion of establishments making such arrangements was higher in the case of large factories (18.7 per cent.) than small ones (i.e. 9.4 per cent.), the type of facilities was comparatively better in small factories. In half of the concerned large factories, only 'Vishvakarma Puja' was being celebrated and the cost was being met by *ad hoc* contributions of workers and managements. The remaining factories supplied only newspapers and had installed radio sets. On the other hand, nearly one-third of the small factories had made arrangements for in-door and out-door games. In these factories, besides in-door games like chess, cards and carrom, facilities existed for certain out-door games like foot ball, volleyball and cricket. In the rest of the small factories, only some religious functions were being arranged. In all small factories, the cost of recreational activities or functions was being met entirely by managements.

5.10. Educational Facilities—

None of the sampled factories was found to be running any school for the education of workers or their children. However, one of the large factories surveyed had an arrangement with a local school for the education of children of its employees. The management was paying an annual subsidy of Rs. 150 to the school in this connection. No factory had taken any action for adult education.

5.11. Other Facilities—

Other facilities such as transport, consumer stores and co-operative credit societies, etc., were non-existent in the Industry.

5.12. Housing—

Very few factories were found to have provided housing accommodation to their employees. The percentage of such factories in the Industry is estimated to be nearly 6.

The following Statement shows the details:

STATEMENT 5.2

Estimated Proportion of Bolts, Nuts, Nails, Springs and Chains Factories providing Housing Accommodation to their Employees—1960-61.

Size	No. of factories	Percent- age of factories providing houses	Estimated number of houses provided	Percentage of houses with living accommodation			Percentage of factories which charged		
				One room	Two rooms	More than two rooms	Rent from all	No rent from all	Rent from only some employ- ees
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
(a) Large Factories	32	18.8	119	63.9	36.1	—	50.0	50.0	—
(b) Small Factories	159	3.1	10	—	100.0	—	—	100.0	—
All Factories	191	5.8	129	58.9	41.1	—	27.3	72.7	—

The percentage of factories providing housing facilities was 18.8 in the case of large factories and quite low among small ones. Of the houses provided, nearly 59 per cent. were one-room tenements and the rest had two living rooms. The proportion of workers housed was, however, very small being nearly 3 per cent. in the Industry, as a whole, indicating that the facility was available to only handful of employees. The Statement below gives the other related details in regard to housing facility.

STATEMENT 5.3

Estimated Percentage of Factories Providing Housing Accommodation in Bolts, Nuts, Nails, Springs and Chains Factories—1960-61.

Size	Estimated number of workers* on 31st December, 1959	Percentage of workers allotted housing accommo- dation	Percentage of factories providing houses	Percentage of factories where houses were allotted to			
				All workers	Only watch and ward staff	Only super- visory, technical staff	Only some employ- ees of some categories
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
(a) Large Factories	10,419	3.9	18.8	100.0	—	—	—
(b) Small factories	3,787	0.3	3.1	—	—	—	100.0
All Factories †	14,206	3.0	5.8	54.6	—	—	45.4

*Workers deemed to be covered under the Factories Act.

CHAPTER VI

SOCIAL SECURITY

Prior to Independence, factory workers in India enjoyed only a limited measure of social security which was mainly in the form of compensation in the event of industrial accidents and maternity benefit in the case of child birth. However, since Independence there has been considerable enlargement of the scope and content of social security benefits mainly as a result of enactment of the Employees' State Insurance Act and the Employees' Provident Fund Act and to a certain extent as a consequence of adjudication awards, etc. The following paragraphs describe briefly the position in Bolts, Nuts, Nails, Springs and Chains factories at the time of the Survey.

6.1. *Provident Funds*—

Information available from the Survey indicates that there was no provident fund scheme in any of the sampled factories prior to the enforcement of the Employees' Provident Funds Act, 1952. The Scheme framed under this Act was initially applied to six industries, including general engineering products, with effect from 1st November, 1952. Since the Bolts, Nuts, Nails, Springs and Chains, etc., Industry was a part of the general engineering group of factories, the Act applied to this Industry also. In the earlier stages, the Scheme applied only to those factories which employed 50 or more workers and had completed three years of their existence. The employment limit was reduced to 20 with effect from 31st December, 1960. The statistics show that at the time of the Survey about 20 per cent. of the factories in the country had provident funds. The low percentage is probably due to the fact that quite a large number of establishments in the Industry are of small size. Moreover, most of the establishments were covered during 1960 while the employment limit was reduced only at the end of that year. The proportion of factories having provident funds was higher in large factories (i.e., 71.9%) as compared to small ones (9.4%). This seems to be due to the fact that none of the small factories were under statutory obligation to set up provident funds.

Since in all the factories the funds had been constituted under the Employees' Provident Fund Scheme, the qualifying conditions, rate of contributions, etc., were uniform and were the same as prescribed under the scheme. Everywhere the membership was open to those employees who did not receive more than Rs. 500 per month and had completed a continuous service of one year or had worked for 240 days during a period of 12 months. The rate of contribution of employees was 6½ per cent. of their basic wages and dearness allowance, including the cash value of food concessions, if any, and an equal sum was being contributed by employers. Statement (6.1) on the next page shows the proportion of workers who were members of provident funds on 31st December, 1959.

STATEMENT 6.1

Estimated Number of Workers who were Members of Provident Fund Schemes on 31st December, 1959.

Size	Estimated number of workers employed @	Proportion of workers who were members of provident funds
(i)	(ii)	(iii)
(a) Large Factories.. .. .	10,419	58.0
(b) Small Factories	3,787	11.1
All Factories	14,206	45.5

@ Relates to those covered under the Factories Act.

It will be seen that though the Scheme was in force in about 20 per cent. of the factories, the proportion of workers who were members of provident fund was as high as 45.5 per cent. Of the total number of workers who were members of the provident funds, nearly 93 per cent. were employed in large factories.

6.2. Pension Schemes—

In none of the factories covered there was any pension scheme.

6.3. Gratuity—

The system of paying gratuity to workers in Bolts, Nuts, Nails, Springs and Chains Industry was not very common. It is estimated that in the entire country gratuity was being paid only in an insignificant proportion of factories, all of which were large establishments. In these factories there was a regular scheme of paying gratuity to survivors in the event of death of any production worker. The rate of payment was ten days' wages for each year of service subject to a maximum of 150 days' wages. However, during the 12 months preceding the date of visit to these establishments no such payments had been made.

6.4. Maternity Benefits—

In the course of the Survey, no information could be collected regarding maternity claims paid by the Employees' State Insurance Corporation. However, attempt was made to obtain similar information from the sampled establishments which were situated in non-implemented areas. In these units no case of any payment of maternity benefit was reported by managements.

6.5. Industrial Accidents—

Before the enactment of the Employees' State Insurance Act, the only law which provided for payment of compensation in cases of industrial accidents was the Workmen's Compensation Act. The Employees' State Insurance Act not only provides for payment of cash benefit to workers in cases of accidents, but also ensures medical care. The Scheme framed under this Act, however, is being extended gradually to various industrial centres. Till such time as this Act is extended to any area, the workers in those areas continue to receive the benefit

under the Workmen's Compensation Act. On the basis of the data collected in the course of the Survey it is estimated that during 1959, accidents occurred in about 13 per cent. of Bolts, Nuts, Nails, Springs and Chains factories in the country. The proportion of factories reporting accidents was 47 as against 6 in the case of small establishments. The following Statement shows the distribution of persons involved in accidents by the nature of accidents.

STATEMENT 6.2

Estimated Distribution of Persons Involved in Accidents During 1959.

Size	Estimated number of persons involved in accidents			Estimated percentage of persons involved in accidents resulting in		
				Death	Perma- nent disability	Tempo- rary disability
(i)	(ii)			(iii)	(iv)	(v)
(a) Large Factories..	566	—	100·0
(b) Small Factories	16	31·3	68·7
All Factories	582	0·9	99·1

It would be seen from the above Statement that there was not even a single fatal accident during 1959. About 99 per cent. of the accidents resulted in temporary disability and a very negligible proportion caused permanent disability. All accidents resulting in permanent disability occurred in small factories.

In the Bolts, Nuts, Nails, Springs and Chains Industry, as a whole, it is estimated that the number of accidents per thousand workers was 41. Of these, 40·6 per thousand were temporary disabilities alone and the remaining permanent disabilities. The Statement given below indicates the distribution of persons by the nature of accidents.

STATEMENT 6.3

Industrial Accidents in Bolts, Nuts, Nails, Springs and Chains Factories During, 1959.

Size	Estimated number of workers			Estimated distribution of workers involved in accidents resulting in		
				Death	Per- manent disability	Temporary disability
(i)	(ii)			(iv)	(v)	(vi)
(a) Large Factories	10,419	566	—	566
				(54·3)		(54·3)
(b) Small Factories	3,787	16	5	11
				(4·2)	(1·3)	(2·9)
All Factories	14,206	582	5	577
				(41·0)	(0·4)	(40·6)

NOTE— Figures in brackets are rates per thousand.

*Relates to those covered under the Factories Act,

CHAPTER VII

INDUSTRIAL RELATIONS

Separate statistics relating to number and nature of industrial disputes in the Bolts, Nuts, Nails, Springs and Chains Industry are not available and hence it is not possible to comment on the state of industrial relations in the Industry. However, in the course of the Survey, information was collected on the extent of development of trade unionism and other arrangements existing in the establishments for promoting close contacts and cordial relations between labour and managements. The findings are discussed in the following paragraphs:

7.1. Trade Unionism—

On the basis of the information collected it is estimated that at the time of the Survey trade unions existed in about 22 per cent. of the factories and about 34 per cent. of workers were members of unions. It may be mentioned that in many cases no membership registers were available and in such cases reliance had to be placed on figures given by union officials. The details regarding the extent of unionism in different size of factories are given in the following Statement.

STATEMENT 7.1

Extent of Trade Unionism in Bolts, Nuts, Nails, Springs and Chains Industry in 1960-61.

Size			Number of factories	Estimated percentage of factories where workers were members of trade unions	Estimated number of workers in the Industry as on 31-12-1959	Estimated number of workers who were members of trade unions	Percentage of factories where unions existed and were recognised
(i)			(ii)	(iii)	(iv)	(v)	(vi)
(a) Large Factories	..	..	32	62.5	10,419	4,650 (44.6)	70.0
(b) Small Factories	..	..	159	13.2	3,787	241 (6.4)	23.8
All Factories	..	..	191	21.5	14,206	4,891 (34.4)	46.3

NOTE—Figures in brackets are percentages to col. (iv).

* Persons deemed to be workers under the Factories Act.

The statistics show that trade unionism had developed more in large factories. Nearly 62.5 per cent. of them had unions and about 45 per cent. of their employees were members of unions. The corresponding figures for small factories were 13 and 6 per cent. respectively.

Of the factories where unions existed, the managements of only 46.3 per cent. had granted recognition. The percentage of such factories was high (70) in the case of large factories but among small

factories it was quite low (i.e. 23.8). The main reasons generally given by the managements for not granting recognitions were as follows: (a) The recognition of trade unions would lead to multiplication of demands (b) Existence of rival unions, none of which could prove that it commanded the majority of the workers (c) Trade union officials had not approached the management for recognition (d) The recognition of the trade union was not obligatory.

The following Statement gives the percentage distribution of unions according to the activities undertaken by them:

STATEMENT 7.2

Estimated Proportion of Unions Engaged in Welfare Activities, etc. 1960-61.

Size		Recreational facilities	Welfare	Adults education	Securing claims under Labour Acts	Relief to distressed members
(i)		(ii)	(iii)	(iv)	(v)	(vi)
(a) Large Factories	..	—	30.0	—	100.0	45.0
(b) Small Factories	..	23.8	23.8	23.8	100.0	71.4
All Factories	..	12.2	26.8	12.2	100.0	58.5

The predominant activity of the unions was securing of claims of their members under various Labour Acts. The next important activity was giving of relief to distressed members at the time of need (58.5%). Thirty per cent. of the unions functioning in large factories stated that they were doing some welfare work for the benefit of their members. None of the unions in these factories were doing anything for recreation or adult education. In small factories, however, 23.8 per cent. of the unions stated that they were not only providing facilities for recreation and adult education but also attending to welfare of their members. Recreation facilities were mainly in the form of out-door games like volleyball.

7.2. Agreements—

In the course of the Survey information was collected regarding agreements affecting terms and conditions of service concluded between employers and workers since 1956. It is estimated that during the period 1956 to 1960 agreements had been concluded in 11.5 per cent. of factories. The proportion was higher in the case of large factories (i.e., 37.5 per cent) than small ones (i.e., 6.3 per cent.). Generally, the agreements related to payment of bonus. In a few cases they covered such items as leave or holidays with wages, supply of protective clothing and issue of attendance cards.

7.3. Standing Orders—

Under the Industrial Employment (Standing Orders) Act, 1946 framing of Standing Orders is obligatory for only those factories which employ 100 or more workers but power is conferred on State Governments to extend this provision to factories employing even

lesser number of workers. It is estimated that in the *Industry*, as a whole 46.9 per cent. of large factories (or 7.8 per cent of all factories) in the country were under a statutory obligation to frame Standing Orders. Of these, only one-fifth of them had complied with the provisions of the law. In addition to these, some of the large factories which were not under a statutory obligation had also framed Standing Orders. Thus it is estimated that the percentage of factories having Standing Orders in the country was 18.7 in the case of large factories or 3.1 per cent. in the case of all factories. Of the factories having Standing Orders, in half the orders applied only to production workers and in the rest to all workers. Everywhere the Standing Orders had been duly certified by the competent authority.

7.4. *Labour and Welfare Officers—*

Under the Factories Act, 1948 appointment of Welfare Officers is obligatory only for those factories which employ 500 or more workers. None of the sampled factories employed 500 or more workers and hence they were not under any obligation to appoint such an officer and none had appointed them either.

7.5. *Works and Joint Committees—*

Under the Industrial Disputes Act, 1947 constitution of works committees is obligatory for those factories which employ 100 or more workers. The main idea behind encouraging formation of such committees is to provide a forum for mutual discussion of matters concerning day to day relationship between employers and employees. On the basis of the statistics collected in the course of the Survey it is estimated that 46.9 per cent. of the large factories or 7.8 per cent. of all factories employed 100 or more workers. However, it was found that only 9.4 per cent. of large or a very small proportion of all factories had constituted works committees. They were composed of an equal number of representatives of workers and managements and met quite frequently. The matters discussed related to the opening of ration depot in the factory premises, functioning of canteens during night shifts, revision of rates of incentive bonus, provision of cycle stands, festival holidays, etc. Of the items discussed, action was taken by the managements in respect of those which they felt were feasible or reasonable.

7.6. *Other Committees—*

None of the factories surveyed had constituted any production, welfare or safety committees in the *Industry*.

7.7. *Grievance Procedure—*

Except in the case of those units which had standing orders, nowhere any definite procedure had been laid down for the redressal of the grievances of workers. The general practice in the *Industry* was that the aggrieved worker approached the manager or the proprietor direct. Only in a few cases he initially approached his *maistry* or sectional-in-charge. The decisions of manager or proprietor were final. Wherever unions existed, the aggrieved member workers could approach them for pursuing the matter further in order to secure redress of their grievance.

CHAPTER VIII

LABOUR COST

Information relating to labour cost was collected in respect of those employees in the sampled establishments who were covered under the Factories Act and were receiving less than Rs. 400 per month as wages. This was in pursuance of the decision taken by the Study Group on Wage Costs appointed by the Ministry of Labour and Employment in 1959. The enquiry pertaining to labour cost was modelled on the lines of the Study of Labour Costs in European Industry made by the International Labour Office in 1956, with such modifications as were necessary in the light of conditions in India. For instance, in view of the fact that in India wages are paid on the basis of 'day' instead of 'hours', as in European Countries, the data were collected for the man-days and not man-hours. Similarly it was found in the course of the pilot enquiry that, but for a very few exceptions, none of the establishments maintained any separate records of premium payments made for leave or holidays or for days not worked and hence these were dropped as separate items and included under 'basic wages'. Certain additions were made in the list either on the basis of the decisions of the Study Group referred to above or for eliciting separate information on some of the items on which employers have to incur expenses under labour laws in force in the country, e.g., lay-offs, canteens, creches, etc.

With a view to forming a better estimate of labour cost, salaries and allowances, etc., of those persons who were employed in connection with any welfare item, amenity, etc., even though they were covered under the Factories Act and were receiving less than Rs. 400 per month, were not included in the general heads "Wages", "Bonuses" and "Other Cash Payments" along with the similar amounts paid to workers who came within the scope of the Study. Expenses incurred in connection with such persons were recorded against the item for which they were employed. Similarly, the man-days of such persons were also excluded.

As mentioned earlier, the Survey was launched late in December, 1959 and ended in June, 1961. With a view to maintaining comparability of the data and ensuring uniformity, the field staff were asked to collect information, as far as possible for the year 1959. However, in view of the fact that financial years of the establishments do not coincide with the calendar year and differ from unit to unit and area to area, it was considered that it will be too time consuming and at times impracticable, if the field staff were asked to collect data for the year 1959 on a uniform basis. Consequently, it was suggested to them that as far as feasible they should collect the information for the year 1959 but if it was found that balance sheets or other records of the units were not available or that it was not feasible to cull out information for this period then they should collect the data for one latest period of 12 months for which

information was available, subject to the condition that as far as practicable, the major part of the year 1959 was covered. With only a few rare exceptions it was possible to collect data for the complete year 1959. Hence the information given here can be treated as relating to the year 1959.

8.1. Labour Cost Per Man-day Worked—

The following Statement shows the estimated labour cost per man-day worked in the Bolts, Nuts, Nails, Springs and Chains Industry.

STATEMENT 8.1

Estimated Labour Cost Per Man-day Worked in Bolts, Nuts, Nails, Springs and Chains Factories in 1959.

(In Rupees)

Size		
Largo Factories	Small Factories	All Factories
3.77	3.16	3.61

The labour cost per man-day in the Industry was Rs. 3.61. In large factories the labour cost per man-day worked was Rs. 3.77 as compared to Rs. 3.16 in the small ones, that is it was higher by about 19 per cent.

8.2. Components of Labour Cost—

Statement 8.2 shows the labour cost per man-day worked by components in Bolts, Nuts, Nails, Springs and Chains factories.

STATEMENT 8.2

Estimated Labour Cost Per Manday Worked By Main Components—1959.

(In Rupees)

Size	Wages	Premium for overtime or late shifts	Bonuses	Other cash pay- ments	Pay- ments in kind	Social Secu- rity Contri- butions		Subsidies	Wel- fare cen- tres non- statu- tory	Direct bene- fits related to labour cost	Pay- ments related to labour cost	Others	Total
						Obliga- tory	Non- obliga- tory						
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)
(a) Large Factories	3.24 (85.94)	—	0.23 (6.10)	0.02 (0.53)	0.01 (0.27)	0.21 (5.57)	—	0.04 (1.06)	—	—	0.01 (0.27)	0.01 (0.26)	3.77 (100.00)
(b) Small Factories	2.85 (90.19)	0.05 (1.58)	0.08 (2.53)	0.02 (0.63)	*	0.08 (2.53)	—	0.03 (0.95)	—	—	0.05 (1.59)	*	3.16 (100.00)
All factories	3.14 (86.98)	0.01 (0.28)	0.19 (5.26)	0.02 (0.55)	0.01 (0.28)	0.18 (4.99)	—	0.03 (0.83)	—	—	0.02 (0.55)	0.01 (0.28)	3.61 (100.00)

NOTE—Figures in brackets are percentages to column (xiv).

*Indicates that the expenditure were less than Re. 0.005 per man-day worked.

8.2.1. Wages—

The term 'Wages' includes basic wages, dearness allowance, incentive and production bonus and attendance bonus. The Bureau very much desired to collect separate data under this head in respect of the man-days actually worked and for the man-days not worked but paid for, but in the course of the pilot enquiry it was found that most of the employers did not maintain separate records of payments made for the days worked and for leave and holiday periods. Consequently, there was no alternative but to record the combined sum paid for the days worked as well as for the days not worked but paid for.

Of the various components, 'Wages' alone accounted for 86.98 per cent. of the total labour cost. Its proportion was higher (90.19 per cent.) in small factories than in large ones (85.94 per cent.).

The Statement below shows the break-up of the figures of 'Wages' component under sub-groups viz., basic wages (including dearness allowance), production or incentive bonus and attendance bonus.

STATEMENT 8.3

Estimated Break-up of Wage Cost by Components.

(In Rupees)				
Size	Basic wages and dearness allowance	Incentive or production bonus	Attendance bonus	Total
(i)	(ii)	(iii)	(iv)	(v)
(a) Large Factories	3.09 (95.37)	0.15 (4.63)	—	3.24 (100.00)
(b) Small Factories	2.85 (100.00)	—	—	2.85 (100.00)
All Factories	3.02 (96.18)	0.12 (3.82)	—	3.14 (100.00)

NOTE—Figures in brackets are percentages to col. (v).

From the above Statement it will be seen that under the group "Wages", basic wages and dearness allowance alone accounted for about 96 per cent. and incentive or production bonus for the rest. Payments in the form of attendance bonus were entirely absent in the factories visited in the course of the Survey.

8.2.2. Premium Pay for Overtime and Late Shifts—

Under this head, only the premium part of the payments made for overtime or late shift workings was taken into account. For illustration, if a worker was paid one and a half times normal rates of wages for working late hours, only the extra amount paid to him, i.e., one half in this case, was treated as the premium pay.

This element of payment has been reflected only in small factories and in these also it accounted for only an insignificant proportion (1.58 per cent.) of the total labour cost. In the Industry, as a whole, it constituted 0.28 per cent. of the total labour cost.

8.2.3. Bonuses—

Under the head 'Bonuses' data were collected in respect of payments made on account of Festival, Year-end, Profit-Sharing and other such bonuses paid each year to employees. These payments

formed a most important element of the labour cost, next only to "Wages" and constituted nearly 5.26 per cent. of the total labour cost in the industry. Its proportion was higher in large factories (6.10 per cent.) as compared to the small ones (2.53 per cent.).

8.2.4. Other Cash Payments—

The expenses reported under this head were generally house rent allowance and gratuitous payments. In the industry, as a whole, this element constituted 0.55 per cent. of the total labour cost.

8.2.5. Payments in Kind—

This head accounted for expenditures incurred by certain employers on the supply of free tea to their employees and distribution of sweats, etc., on the eve of *Deepawali*. This element constituted 0.28 per cent. of the total labour cost in the industry.

8.2.6. Social Security Contributions—

Social security contributions formed the third important element of the labour cost, next only to "Wages" and "Bonuses" and accounted for about 5 per cent. of the total labour cost in the industry. Information in respect of this component was obtained under two distinct heads:

(a) Obligatory—i.e., those expenses which the employers were required to incur to comply with certain labour laws, and (b) Non-obligatory—i.e., which were being spent by employers voluntarily. None of the factories surveyed reported any expenditure on non-obligatory social security measures. Whatever amounts were reported related only to expenses incurred on obligatory measures. Statement 8.4 shows the break-up of expenses under various sub-groups of social security contributions.

STATEMENT 8.4

Estimated Cost of Social Security Contributions Per Man-day Worked in 1959.

(In Rupees)

Size	Obligatory						Non-obligatory	Total of obligatory and Non-obligatory contributions	Percentage of social security contributions to the total Labour cost	
	Provident fund	Retrenchment compensation	Lay off compensation	Employee's State insurance contributions	Compensation for					
					Employment injury	Occupational diseases				
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	
(a) Large Factories (80.95)	0.17		*	*	0.04 (19.05)	*	—	—	0.21 (100.00)	5.57
(b) Small Factories (25.00)	0.02	0.02 (25.00)	0.01 (12.50)	0.03 (37.50)		*	—	—	0.08 (100.00)	2.53
All Factories	0.13 (72.22)	0.01 (5.56)	0.01 (5.56)	0.03 (16.66)		*	—	—	0.18 (100.00)	4.99

NOTE—Figures in brackets are percentage to col. (ix).

* Indicates that the expenditure were less than Re. 0.005 per man-day worked.

Of the total obligatory social security contributions reported by the managements, provident fund accounted for 72.22 per cent. compensation for retrenchment and lay off 5.56 per cent. each and the rest (i.e., 16.66 per cent.) was all attributable to the employees' state insurance contributions. None of the factories surveyed reported any payment for occupational diseases and the expenditure on employment injury was almost negligible.

8.2.7. Subsidies—

The term "Subsidies" covered such expenses as the employers incurred on providing various types of facilities and services to workers and their family members. The items listed were: (i) Medical and Health Care, (ii) Canteens, (iii) Restaurant and Other Food Services, (iv) Company Housing, (v) Building Fund, (vi) Credit Unions and Other Financial Aid Services, (vii) Creches, (viii) Educational Services (Library, Reading Room, etc.), (ix) Cultural Services, (x) Recreational Services (Clubs, Sports, Cinema, Theatres, etc.), (xi) Transport, (xii) Sanitation (at work places), (xiii) Drinking Water Facility, (xiv) Vacation Homes, (xv) Other Family Services. The amounts taken were net expenditure incurred including depreciation but excluding capital expenditure.

In the course of the pilot enquiry it was experienced that employers did not maintain separate records for the above mentioned items or the expenses incurred related not only to persons falling within the scope of the Study, but also to others. Due to these limitations the field staff was asked to obtain estimates from managements, wherever separate statistics were not available. In case any expenses were incurred on workers covered by the Study as well as on other employees, the amount was estimated on the basis of the proportion which the persons covered under the Study formed to the total employees. Statement 8.5 shows the cost of subsidies per man-day worked in the Industry.

STATEMENT 8.5

Estimated Cost of Subsidies Per Man-day Worked in 1959.

(In Rupees)

Size	Medical and health services	Canteens	Company housing	Cultural services	Recreational services	Sanitation	Drinking water	Building fund, credit unions, educational ser- vices, vacation homes, other family services	Total	Percentage of subsidies to total labour cost
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)
(a) Large Factories	0.01 (25.00)	0.01 (25.00)		*	*	0.01 (25.00)	*	0.01 (25.00)	0.04 (100.00)	10.6
(b) Small Factories	0.01 (33.33)	—	—	—	*	0.01 (33.33)	0.01 (33.34)	*	0.03 (100.00)	0.95
All Factories	0.01 (33.33)	0.01 (33.33)		*	*	0.01 (33.34)	*	*	0.03 (100.00)	0.83

NOTE— Figures in brackets are percentages to col. (x)

*Indicates that the expenditure were less than Re. 0.005 per man-day worked.

Expenses incurred under the head "Subsidies" formed 0.83 per cent. of the total labour cost in the Industry. The main items of training, apprenticeship and on the job medical services were recorded: (i) Medical and Health Services, (ii) Canteens and (iii) Sanitation. Certain expenses were reported on other items like recreation, sanitation and drinking water facilities by factories in both the size groups. But the amount reported was so small that it is not reflected in the Statement 8.5. The main item of expenses reported in col. (ix) was educational services.

8.2.8. *Payments related to Labour Cost—*

Under this group, expenses relating to recruitment, vocational training, apprenticeship and on the job medical services were recorded. A perusal of the Statement 8.2 (col. xii) would show that this component was very insignificant. Expenses incurred in connection with apprenticeship and training accounted for nearly 70 per cent. of the total amount in this group. Amounts spent on the job medical services constituted nearly 14 per cent. of the total. The rest was due to expenses on recruitment, supply of uniforms, etc.

8.2.9. *Others—*

Besides expenses mentioned under various groups in earlier paragraphs, some of the employers reported some expenditure on supply of uniforms and protective clothings, etc. All these were recorded under the head 'Others'. From Statement 8.2 (col. xiii) it would be seen that these expenses constituted only 0.28 per cent. of the total labour cost in the Industry. Such expenses were reported only by some of the large factories. In this group of factories this component accounted for 0.26 per cent. of the total labour cost.

CHAPTER IX

SUMMARY OF CONCLUSIONS

Although Bolts, Nuts, Nails, Springs and Chains Industry is one of the old industries of India, its expansion and growth has been mostly since the country embarked upon the planned economic development. At the beginning of the First Five Year Plan, there were only 123 registered factories in the country employing 7,041 workers. By 1961 the number of factories increased to 354 with an average daily employment of 16,402, thus recording a rise of nearly 188 and 133 per cent. respectively over the decade.

The data collected in the course of the Survey show that on 31st December, 1959 the estimated total number of persons employed in the Industry was 14,715. Of these, nearly 89 per cent. were "Production and Related Workers". The rest were 'Clerical and Related Personnel' and persons belonging to 'Watch and Ward and Other Services', etc.

Nearly the entire working force in the Industry consisted of men, the number of women and children being almost negligible. The system of employing workers through contractors was found to be in vogue in only a few large factories and such labour formed an insignificant proportion, of the total employed. The predominant system of payment was by time and it covered 94 per cent. of the workers in the Industry.

The information given by managements show that nearly 75 per cent. of production workers employed directly by them were permanent. However, statistics collected in respect of length of service of such workers show that about 38 per cent. of them had less than one year's service and 78 per cent. had less than 5 years' service. The shorter length of service of majority of the employees seems to be due to the fact that most of the establishments came into existence only recently. This conclusion is supported, to some extent, by a low rate of labour turnover in the Industry. The average annual accession and separation rates in the Industry during 1959 were 6.3 and 5.4 per cent. respectively.

The average absenteeism rate in the Industry during 1959 was 12.1 per cent. The monthly rates reflect the usual pattern of higher absences during summer months, rainy season and festival periods.

There has been no standardisation of wages in the Industry on a country-wide basis. The wage structure prevailing in different factories was, therefore, found to be the result of either individual or collective bargaining between workers and employers, or due to adjudication awards, etc. It is estimated that since 1956 wage revisions affecting majority of the workers took place in roughly one out of every three factories in the Industry and these were confined to large establishments only. In most of the factories wage revisions took place once only.

The estimated average daily earnings of workers in the Industry were Rs. 3.08 in December, 1959. Similar figures in respect of men, women, children and the lowest-paid production workers were estimated to be Rs. 2.95, Rs. 1.62, Rs. 1.31 and Rs. 2.17 respectively. Considerable disparities existed between the earnings of workers employed in different areas as also of those employed in factories of different size groups in the same area. No distinction existed in the rates of men and women, if engaged on identical work. The average daily earnings of Clerical and Related Employees and of those belonging to the group 'Watch and Ward and Other Services' were Rs. 5.01 and Rs. 2.75 respectively in December, 1959. Basic earnings (i.e., basic wage and dearness allowance) constituted 96.5 per cent. of the total earnings. Majority of the factories (i.e., 71 per cent) were paying consolidated wages. Of the factories paying separate dearness allowance, about half paid it on a flat rate basis and in only about 5 per cent. of the factories it was linked to the consumer price index number. Payments of other allowances were reported in only stray factories and their share in total earnings was negligible in all cases except production bonus.

There was no profit-sharing scheme in any of the factories covered. However, the system of paying year-end-bonus and festival bonus was found to be existing in 21 and 30 per cent. of the factories respectively.

The daily and weekly hours of work and periods of rest conformed to the limits prescribed under the Factories Act but laxity in the matter of observing shift timings was quite common. In small factories the law was being ignored in regard to reduced hours of work for children.

About 89 per cent. of the factories in the Industry were working one shift a day and the rest two shifts. Night shift was being worked in only a few factories and in all of them there was a regular system of changeover of workers from one shift to another. None of these factories provided any amenity or paid any allowances to those who worked in night shift except that a few large factories had reduced the hours of work for night shift workers.

It is estimated that 81 per cent. of the factories had provided latrines, though the type of arrangements made varied. The defaulting establishments were all small factories. The compliance of the law in regard to urinals, however, was not as good. Only 55 per cent. of the factories had made such arrangements. About one-third of the factories had not maintained latrines and urinals in a sanitary condition. Of the factories employing women, about one-third had not provided separate latrines for them and all were defaulters in the matter of urinals. This may be due to their number being insignificant.

Nearly 69 per cent. of the factories were found to be granting annual leave to their employees in accordance with the provisions of the Factories Act. Data collected regarding the number of workers who availed of leave show that nearly 56 per cent. of the workers had enjoyed leave during the year 1959 and about half of them enjoyed 11 to 15 days' leave and one-fifth 6 to 10 days.

The system of granting casual leave with pay was found to be in vogue in 11.5 per cent. of the factories in the country. However, the days allowed and the categories entitled for leave generally differed from one factory to another.

Only about 4 per cent. of the factories in the country were allowing sick leave with pay to their employees. Such covered factories were all situated in the areas where the Employees' State Insurance Scheme was not in force. The duration of leave and the type of workers entitled to it varied between factories.

The Survey shows a wide-spread practice of granting national and festival holidays with pay in the Industry. It is estimated that such a practice existed in 86 per cent. of the factories. The number of holidays allowed in a year ranged from 1 to 18 but nearly 39 per cent. of the factories granted upto 5 days.

Drinking water facilities for employees existed in all the factories covered in the course of the Survey. The predominant arrangement was earthen pitchers. Nearly two-third of the factories had some arrangements for the supply of cool drinking water during summer months. However, these consisted entirely of those which were not under any legal obligation to do so.

Canteens were found to be functioning in all those establishments which were under a statutory obligation to do so. In addition, some of those which were under no legal obligation had also provided canteens. Half of these canteens were being run by the contractors and the rest departmentally. Generally the items sold were tea, coffee and snacks but half of them served meals as well. The canteens run departmentally were found to be far better in regard to location and hygienic conditions as compared to those managed by the contractors. None of the factories surveyed had built rest-shelters.

First-aid boxes were being kept in 89 per cent. of the factories but in only 45 per cent. of the cases, they were found to be containing the prescribed items and in only 15 per cent. of the factories, they were under the charge of trained first-aiders. None of the sampled establishments in the Industry was under an obligation to maintain ambulance room. None of the factories covered had a dispensary.

Few employers were found to have devoted attention to recreation of workers and almost none had taken any interest in educational facilities for children of their employees. The type of recreational or cultural activities appeared to be better in small factories as compared to large ones.

Only 6 per cent. of the factories were providing housing accommodation to their employees. However, the benefit was not very extensive as only 3 per cent. of the total working force had been housed.

The security against the contingency of old age which the workers in the Industry enjoy seems to be entirely due to the Employees' Provident Funds Act, 1952, since none of the establishments covered in the course of the Survey had any provident fund scheme prior to the enforcement of this Act. At the time of the Survey, the Scheme

as framed under the Act was in force in about 20 per cent. of the factories in the country. It is estimated that 45.5 per cent. of workers in the Industry were members of the Provident Funds on 31st December, 1959.

There was no scheme for payment of pension in any of the factories covered. Even gratuity schemes were found to be in vogue only in a very few factories in the Industry.

It is estimated that about 22 per cent. of the factories had trade unions and 34 per cent. of workers were members of unions. The proportion of factories having unions and of workers who were members of the unions was considerably higher in large factories. Managements of only 46 per cent. of factories having unions had accorded recognition. The main activity of the unions were securing of claims of their members under various Labour Acts and provision of relief to distressed members.

Only one-fifth of the factories which were under a statutory obligation to frame Standing Orders had complied with the law. Besides, some of the factories which were under no legal obligation had also framed Standing Orders. Thus, it is estimated that at the time of the Survey, only 3 per cent. of the factories had framed Standing Orders.

Only about one-fifth of the factories which were under a statutory obligation to constitute Works Committees had actually complied with the requirements. None of the factories surveyed had any other type of Committees. No systematic procedure for settling the grievances of workers existed in the Industry.

Data relating to labour cost in respect of persons covered under the Factories Act and receiving less than Rs. 400 per month show that during the year 1959, the labour cost in the Industry per man-day worked was Rs. 3.61. The labour cost was higher by about 19 per cent. in large factories as compared to small ones. 'Wages', i.e., basic wage, dearness allowance and incentive payments, constituted the main component and accounted for nearly 87 per cent. of the total cost. Its proportion was higher in small factories (90 per cent.) than large ones (86 per cent.) Bonus and Obligatory social security contributions accounted for 5.26 and 4.99 per cent. respectively.

APPENDIX

A Brief Note on the Sample Design and the Method of Estimation Adopted

1. Sample Design—

For the Survey of Labour Conditions, a stratified sampling design with industry as a stratum, with further regional strata for those industries which were found to be highly concentrated in particular regions or areas, was followed. The registered factories belonging to those industries for which regional stratification was found necessary were stratified and each centre or area of high concentration was taken as a separate regional stratum of the industry and the remaining scattered factories were clubbed together into a single residual stratum. Units in each industry/regional stratum were divided into two size-groups i.e., upper and lower. The cut-off point used for the classification of units into two size-groups was the same as used for the Wage Census conducted by the Bureau in 1958-59. However, in the case of this industry there was no regional stratification and sample units were selected from the All-India list.

In regard to sample size, it was thought that a sample of 25 per cent. from upper size group and 12½ per cent. from the lower size-group would yield reasonably good results. However, the experience of earlier Surveys had shown that in view of non-availability of up-to-date frames, quite a large number of sampled establishments were found to have ceased functioning or to have changed the line of production when they were visited. In order to safeguard against undue shrinkage of the sample size due to such contingencies, it was decided to enlarge the sample size suitably in the light of the experience of the Wage Census conducted by the Bureau and on the basis of a study of closures of establishments in the past few years as revealed from the annual list of registered factories. In the case of Bolts, Nuts, Nails, Springs and Chains factories the sampling fraction thus ultimately adopted was 33.3 per cent. for the upper size and 20 per cent. for the lower size.

The ultimate sampling units, namely registered factories, within an industry/regional stratum were arranged by contiguous States and within each State by contiguous districts in a serpentine fashion so that districts formed a continuous chain from one State to another. Having arranged the list of units in the above manner, the units above the optimum cut-off point were taken in the upper-size class and the rest in the lower-size class. From these size-groups, the required number of units were selected by systematic sampling with a random start. The frame on the basis of which the sample was selected in the case of Bolts, Nuts, Nails, Springs and Chains factories was the list of Registered Factories for the year 1958.

2. Method of Estimation—

In the course of this Survey, various characteristics were studied, some of which were correlated with employment whereas there were others which were not so correlated. Consequently, slightly different

methods were used for working out estimates for these two cases. For estimating the totals of those characteristics which are highly correlated with employment such as absenteeism, labour turnover, earnings, labour cost, ratio of total employment was used as the blowing-up factor. On the other hand, for estimating the totals of those characteristics, which are not directly correlated with employment such as, daily hours of work, units levying fines, etc., the ratio of units was used as the blowing-up factor. Estimates of percentages have been arrived at by computing in each case the ratio of the estimates of the totals for the two characteristics involved.

More precisely, the estimates for the total (for all-India) of a particularly characteristic not correlated with employment in the industry has been obtained as:—

$$X = \frac{N_u - N'_u}{n_u - n'_u} \sum_i X_{iu} + \frac{N_L - N'_L}{n_L - n'_L} \sum_i X_{iL} \quad \dots \quad (1)$$

The summation extending over all sampled units surveyed in the industry.

- Where X = the estimated total of the x characteristic for the industry.
- N_u and N_L = the number of units in the original population as featuring in the 1958 list, which was used as frame, in the upper and lower size-groups respectively of the industry.
- N'_u and N'_L = the number of units which featured in the 1958 list but were not featuring in the list relating to the period more or less coinciding with the period of the Survey in the upper and lower size-groups respectively of the industry.
- n_u and n_L = the total number of units in the sample (from 1958 list) in the upper and lower size groups respectively of the industry.
- n' and n'_L = the number of sampled units, which were found at the time of the survey to be closed or to have changed the line of production and hence left out in the upper and lower size groups respectively of the industry.
- X_{iu} and X_{iL} = the total of the characteristic x in the i -th sample unit of the upper and lower size groups respectively of the industry.

In the industry the estimate for the characteristic y correlated with employment is given by

$$Y = \frac{E_{n_u} - N'_u}{E_{n_u} - n'_u} \sum Y_{iu} + \frac{E_{n_L} - N'_L}{E_{n_L} - n'_L} \sum Y_{iL} \quad \dots \quad (2)$$

The summation extending over all sampled units surveyed in the industry.

Where Y = the estimated total of the characteristic y for the industry.

$E_{N_u} - N'_u$ and $E_{N_L} - N'_L$ = the total employment in 1958 in the $N_u - N'_u$ and $N_L - N'_L$ units respectively of the industry.

$E_{n_u} - n'_u$ and $E_{n_L} - n'_L$ = the total employment in 1958 in $n_u - n'_u$ and $n_L - n'_L$ sampled units respectively of the industry.

Y_{iu} and Y_{iL} = the total of the characteristic y in the i -th sampled unit of the upper and lower size groups respectively of the industry.
